THE DISTRICT OF COLUMBIA

WASHINGTON, D.C. 20004

MARION BARRY, JR.
MAYOR

January 27, 1984

Dear Citizens:

I am pleased to report to you that for the third consecutive year, the District achieved an excess of revenues over expenditures in its General Fund. The 1983 excess was $17.0 million despite a $25.2 million shortfall in revenues. This shortfall was made up by a cooperative effort from most District agencies reducing their spending by $23.9 million compared to the original budget.

Cost containment coupled with revenue enhancements are key to the economic and fiscal health of our government. To this end, we note some of our accomplishments.

- The Department of Human Services successfully negotiated an agreement with District of Columbia hospitals to place a ceiling on certain Medicaid costs. This agreement resulted in savings of $16 million.
- The Convention Center which formally opened in January 1983 has had more than 200 events, a daily occupancy rate of 89%, nearly 6,000 exhibitors, almost one million attendees, generated more than $34 million in out-of-town delegate spending and produced more than 5,000 jobs.
- On January 3, 1983 we broke ground for our new $32.5 million Municipal Office Building which will centralize major District functions that are now housed in several locations. This new facility is generating more than 400 construction jobs and will be the catalyst for future economic growth along the 14th Street corridor.
- Our Federal payment, despite some restrictions on its use, increased from $336 million in fiscal year 1982 to $361 million in fiscal year 1983.
- The lottery after one full year of operation has produced 1983 operating revenue for the District of $12 million.
- Our 1983 Summer Youth Program produced 18,700 meaningful jobs for our young people despite a continuing unemployment rate of around 11%.
- For the second year in a row, the District is the recipient of a Certificate of Conformance in Financial Reporting from the Municipal Finance Officers Association of the United States and Canada. The Certificate is awarded only to those jurisdictions whose financial reports comply with rigorous program requirements and standards.
- In order to more closely control our cash and bring our budgeting in line with our accounting, almost all encumbrances, that is, unfilled purchase orders and contracts, were lapsed at the end of the fiscal year. Starting in 1984, all encumbrances, except for capital projects, will lapse at the end of each fiscal year and will not be carried forward into the next year.

Our challenges for the future are complex and directly relate to our unique relationship with the Federal government and the surrounding jurisdictions.

- Overcrowded prisons, movement by the Federal government to transfer financial responsibility for St. Elizabeths Hospital to the District without adequate funds, sludge treatment and disposal, a growing unfunded pension liability, the increasing cost of Metrorail, and the gradual reduction in Federal grants to the District are our challenges for the coming years.
- With the constitutionality of Home Rule called into question in the *Chadha* case we have been stalemated in our attempts to access the private markets for capital projects funds and short-term working capital needs. Private market borrowing will permit the District to refinance much of its long-term debt and thereby reduce the cost of servicing the debt.

Creative financing of municipal services coupled with more austere and efficient ways of serving our citizens is the key to continued growth and financial stability for our government. With a tripartite agreement among our citizens, businesses and government we can meet our financial challenges and forge ahead to a new economic plateau for the District of Columbia.

Sincerely,

Marion S. Barry, Jr.
Mayor

DISTRICT OF COLUMBIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1983

Prepared by:
Office of the Controller

Alphonse G Hill, CPA
Deputy Mayor for Finance

1350 Pennsylvania Avenue, NW
Washington, DC 20004

INTRODUCTORY SECTION

Rock Creek Park

This section contains the table of contents,
letter of transmittal, organization chart, list of principal officials
and Certificate of Conformance
in Financial Reporting.

DISTRICT OF COLUMBIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 1983

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DISTRICT OF COLUMBIA
OFFICE OF THE DEPUTY MAYOR FOR FINANCE
1350 PENNSYLVANIA AVENUE, NORTHWEST
WASHINGTON, DC 20004

Alphonse G Hill, CPA
Deputy Mayor for Finance
(202) 727-2476

January 27, 1984

The Honorable Marion S. Barry, Jr.,
Mayor of the District of Columbia:

The Comprehensive Annual Financial Report of the District of Columbia, for the fiscal year ended September 30, 1983, is submitted herewith. This report was prepared by the Office of the Controller. Responsibility for both the accuracy of the financial data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data are accurate in all material respects, are presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds, and include all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs.

Accounting System

The District's accounting system is organized and operated on a fund basis. A fund is a group of functions combined into a separate accounting entity (corresponding to a corporation in the private sector) having its own assets, liabilities, equity, revenues and expenditures/expenses. The types of funds used are determined by generally accepted accounting principles and the number of funds established within each type is determined by sound financial administration. Specialized accounting and reporting principles and practices apply to governmental funds. Proprietary and trust funds are accounted for in the same manner as similar business enterprises or nonprofit organizations.

Internal Control

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary Control

Budgetary control is maintained at the object class and control center level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. Purchase orders which result in an overrun of object class and control center balances are not released until additional appropriations are made available or the overrun is approved by an authorized person. All encumbrances were lapsed at September 30, 1983, except for capital projects and a few orders and contracts which could not be cancelled. All encumbrances will lapse at the end of each fiscal year, except for capital projects, beginning in 1984.

As mandated by Congress, the District's budget is prepared on a basis substantially different from financial reporting under generally accepted accounting principles. The principal differences are exclusion of grant revenues and related expenditures, and omission of costs incurred in the current year which require future resources.

The Reporting Entity and Its Services

The entity of the District of Columbia included in this Comprehensive Annual Financial Report has been determined by generally accepted accounting principles. Under these principles, every governmental entity generally must have an electorate. Therefore, if a District-based governmental activity is not clearly part of the Federal government, or another state or local government, it must be reported for financial purposes as part of the District government. This applies even if the activity is an "independent agency" or is required by law to issue a separate annual financial report. Based on these principles, this report includes all funds and account groups of the District and covers all activities of the District. These activities include a number of "independent agencies."

- *The Courts,* whose judges are appointed by the President of the United States with the consent of the Senate.
- *The Board of Education,* which manages the public schools and whose members are elected on an at-large and ward basis.
- *The University, General Hospital, Starplex, Convention Center, Lottery and Games,* and *Housing Finance Agency,* each of which has separate governing boards appointed by the Mayor and Council.
- *The Retirement Board,* whose members are appointed by the Mayor, Council, and active and retired police officers, fire fighters and teachers.

As the Nation's Capital, a number of governmental activities within the District are part of the Federal government. They include Washington National Airport, John F. Kennedy Center for the Performing Arts, National Gallery of Art, Smithsonian Institution, National Zoological Park, St. Elizabeths Hospital, Washington Aqueduct, Botanic Gardens, and most parks. Accordingly, these Federal activities are excluded from this report.

The Washington Metropolitan Area Transit Authority is a joint venture of Maryland, Virginia and the District, and is a separate reporting entity. However, the District's financial interest in the Transit Authority, principally Metrorail, is included in the financial statements in this report.

The District provides the full range of state, county and city services. This includes judicial (trial and appellate courts), public safety (police, fire, National Guard, corrections and regulatory affairs), public works (highways, streets, traffic control and sanitation), human services (health, welfare and employment services), cultural services (recreation and libraries), community development (planning, zoning, urban renewal and housing), education (public schools) and general administrative services. In addition, the District operates a university, a water and sewer utility service, a general hospital, a stadium and armory complex ("Starplex"), a convention center and a lottery.

The General Fund

Governmental funds consist of the General Fund and the Capital Projects Fund. The General Fund is the principal activity of the District government because it includes all activities not specifically accounted for in other funds. The General Fund operations are summarized below ($ millions).

	1983	1982	1981
Revenues	$2,208.0	1,996.6	1,912.3
Expenditures	(2,242.6)	(1,976.3)	(1,943.6)
Other financing sources (uses)	51.6	(7.2)	99.6
Excess	$ 17.0	13.1	68.3

The excesses achieved in 1981 through 1983 mark a sharp turnaround from the deficiencies of prior years. From 1970 through 1980, the District sustained deficiencies in 9 of the 11 fiscal years. This trend resulted in the accumulated deficit of $377.8 million reported in the first complete audit for 1980.

Revenues

The amount of revenues by source category and the changes from last year are shown in the following tabulation.

Source Category	1983 Amount ($ Millions)	Percent of Total	Percent Increase (Decrease) from 1982
Property taxes	$ 368,195	16.7%	12.9%
Sales and use taxes	331,569	15.0	10.3
Income and franchise taxes	546,207	24.7	7.3
Other taxes	49,956	2.3	31.7
Total taxes	1,295,927	58.7	10.4
Licenses and permits	29,728	1.4	0.2
Fines and forfeits	22,658	1.0	2.4
Charges for services	84,819	3.8	23.8
Miscellaneous	21,116	1.0	17.1
Total District sources	1,454,248	65.9	10.8
Payment in lieu of taxes	361,000	16.3	7.2
Revenue sharing entitlements	19,932	0.9	6.6
Operating grants	372,798	16.9	13.1
Total Federal sources	753,730	34.1	10.1
Total revenues	$2,207,978	100.0%	10.6%

The amount of tax revenues by source and the variances from budget and last year are shown in the following tabulation ($ millions).

Source	1983 Actual	Variance - Favorable (Unfavorable) From Budget	Variance - Favorable (Unfavorable) From 1982
Property taxes:			
Real	$ 332.9	(2.4)	37.8
Personal	32.9	3.3	5.7
Penalties and interest	2.4	(.2)	(1.4)
Total	368.2	.7	42.1
Sales and use taxes:			
General	271.9	9.1	25.1
Selective:			
Alcoholic beverages	7.5	(.3)	—
Cigarette	9.7	(.1)	(.7)
Motor fuel	22.7	(1.3)	1.0
Motor vehicle excise	15.2	1.6	4.1
Hotel occupancy	4.5	.1	1.3
Total	331.5	9.1	30.8
Income and franchise taxes:			
Individual income	352.8	(6.2)	13.0
Corporation franchise	65.7	3.2	14.6
Corporation surtax	3.1	.2	.6
Unincorporated business	16.8	4.1	2.5
Unincorporated surtax	.8	.2	.1
Gross receipts	107.0	(7.6)	6.5
Total	546.2	(6.1)	37.3
Other taxes:			
Inheritance and estate	19.3	4.2	7.1
Recordation and transfer	30.7	3.5	4.9
Total	50.0	7.7	12.0
Total taxes	$1,295.9	11.4	122.2

Hotel occupancy, corporation surtax and unincorporated surtax were transferred, in part, to the Convention Center Fund. Gross receipts include taxes on public utilities, insurance companies and financial institutions.

Increases in property values, personal incomes and business profits, along with increased taxable sales, contributed significantly to the 10.4% increase in tax revenues in 1983 over 1982.

Expenditures

General Fund expenditures increased by $266.2 million to $2,242.5 million in 1983, an increase of 13.5%; this compares to a $32.7 million increase (1.7%) in 1982 vs. 1981. Principal increases were a 7.0% cost-of-living pay increase for all District employees effective October 2, 1982, and energy cost increases. The District operated $8.0 million under the appropriation of $1,629.8 million on the budgetary basis.

Changes in levels of expenditures for major functions of the District from the preceeding year are shown in the following tabulation.

Function	1983 Amount ($ Millions)	Percent of Total	Percent Increase (Decrease) from 1982
Current expenditures:			
Governmental direction and support	$ 55.2	2.3%	10.3%
Economic development and regulation	118.3	5.0	10.1
Public safety and justice	558.5	23.7	15.1
Public education system	448.8	19.1	7.4
Human support services	718.3	30.5	10.7
Transportation services and assistance	147.2	6.3	15.2
Environmental services and supply	43.0	1.8	(4.1)
	2,089.3	88.7	13.6
Debt service - Principal and interest	153.2	6.5	11.2
	2,242.5	95.2	13.5
Net operating transfers to and from proprietary and fiduciary funds	113.7	4.8	2.0
	$2,356.2	100.0%	12.9%

When it became evident in the second quarter of fiscal 1983 that revenues for the year would be approximately $25.2 million less than estimated in the original budget, a supplemental appropriation law was enacted reducing current expenditures by $23.9. The reduction consisted of $8.7 million for pay increases which had been appropriated as a separate item in the original budget and $15.2 million of unallocated rescissions which were allocated by the Mayor to the seven current expenditure functions.

Capital Projects Fund

During 1983, capital outlays were $169.8 million. Of this, $152.9 million was for general fixed assets, principally streets and bridges ($34.9 million) and Metrorail construction ($37.4 million), and $16.9 million was for proprietary fixed assets, principally the Convention Center.

Proceeds of general obligation note issues are accounted for in the Capital Projects Fund. Completed projects and construction in progress at year end are recorded in the General Fixed Assets Account Group or in the proprietary fund to which they apply.

Proprietary Funds

The District operates a number of proprietary funds as summarized below ($ millions).

Fund	Operating Revenues 1983	Income (Loss) Before Transfers 1983	Income (Loss) Before Transfers 1982	Operating Transfers In (Out) 1983	Operating Transfers In (Out) 1982
University	$ 5.1	(58.8)	(52.0)	58.3	53.0
Water and Sewer	89.7	(18.4)	(17.5)	—	0.5
General Hospital	45.1	(39.2)	(33.0)	39.1	31.4
Starplex	5.4	1.0	(0.4)	—	—
Convention Center	1.6	(6.6)	(1.0)	6.1	5.0
Lottery and Games	23.8	12.5	4.7	(12.0)	(4.2)
Internal Service	36.8	(26.7)	(27.5)	22.8	26.0
	$207.5	(136.2)	(126.7)	114.3	111.7

The University Funds include all operations of the University of the District of Columbia. The University is the District's "land grant" institution and operates at three campuses—Van Ness Center, Mt. Vernon Square and Harvard Street. The University provides low cost, higher education courses leading to certificate, bachelor and advanced degrees in arts, sciences, teacher education and special career education. Tuition, grants, research and a subsidy from the General Fund provide its revenues. Although tuition increased $.6 million in 1983 over 1982, tuition covers only 6.7% of the University's operating expenses.

The Water and Sewer Fund sustained losses in both 1983 and 1982 because its operating costs have increased faster than rates. In addition, interest costs on borrowings for new construction have increased because the facilities are being substantially renovated. Wastewater treatment for the District, and a substantial portion of suburban Maryland and Virginia, is performed at Blue Plains, the world's largest wastewater treatment plant. Tertiary treatment processes at Blue Plains have been very costly in order to meet EPA's high wastewater effluent standards. Plans to reverse the loss trends include charging other District agencies for water and sewer services, making operating transfers, and increasing rates. A 35% rate increase became effective October 1, 1983, and further 30%, 25%, 15% and 10% increases are scheduled for 1985, 1986, 1987 and 1988, respectively.

The General Hospital Fund operates the 417-bed District of Columbia General Hospital and is a major provider of health services to indigent patients. Revenue changed from a 58%/42% split between patient revenues (Medicaid, Medicare and insurance) and a subsidy from the General Fund for 1982 to a 54%/46% split for 1983.

The Starplex Fund operates the Robert F. Kennedy Memorial Stadium and the National Guard Armory. Its operations produced modest losses through 1982. In 1983, a small profit was achieved when the Washington Federals football team joined the world champion Washington Redskins, both of whose home games are played at the Stadium.

The Convention Center opened for business in January 1983. The Fund has retained earnings attributable to the tax revenues designated for the Fund—hotel occupancy tax and surtaxes on incorporated and unincorporated franchise taxes transferred from the General Fund.

The lottery is accounted for in the Lottery and Games Fund. The lottery produced a profit for the District of $12.5 million in 1983 as compared to $4.7 million in 1982 when it operated for only 37 days.

The District's principal internal service fund, the General Services Fund, provides printing, repairs and maintenance, leasing and contracting services to District agencies. This Fund operated at a net loss of $3.7 million in 1983. The accumulated deficit of $9.5 million at September 30, 1983, for the District's three internal service funds will be eliminated by adjustments in future billings to user departments.

Trust Funds

The District's trust funds are Pension (for the District Retirement Program covering judges, police officers and fire fighters, and public school teachers), Unemployment Compensation, and Housing Finance.

Pension

All full-time District employees are covered by retirement systems. The majority of District employees, approximately 27,500, participate in the Federal government's Civil Service Retirement System. This system requires the District government and employees each to contribute 7% of employee compensation, the same rate as Federal agencies. This amount ($39.7 million in 1983) together with 7% employee contributions is paid to the Federal Office of Personnel Management which is responsible for administering the system and disbursing benefits, as determined by the Federal government.

A major financial commitment for the District is the funding of benefits for the District Retirement Program. There are 11,700 employees in this Program. The District has responsibility for establishing benefits and setting plan requirements. While the Retirement Program was established in the early 1900s, adequate funding was not established. The Program was operated primarily on a "pay-as-you-go" basis prior to Home Rule. It was estimated that vested accumulated benefits (the amount of cash needed to pay benefits already earned) as of Home Rule commencement on January 2, 1975, were approximately $1.9 billion.

On November 17, 1979, Congress enacted Public Law 96-122 (the District of Columbia Retirement Reform Act), which revised the District Retirement Program. In recognition of a direct Federal responsibility for a portion of the $1.9 billion unfunded actuarial liability incurred prior to Home Rule in 1975, the Act provides for 25 annual Federal payments of $52.1 million from 1980 through 2004 (aggregating $1.3 billion). While the Act defines the minimum annual payment by the District to the plan through 2004, the District calculates the annual pension cost on the entry age normal actuarial cost method and reports the accrued pension cost as a long term liability ($1,355 million at September 30, 1983).

Unemployment Compensation

The Unemployment Compensation Fund had a net income of $3.8 million in 1983 as compared to a $16.6 million net loss in 1982. The Fund benefited from a 1.1% and 1.2% Federal "piggy back tax" during 1983 and 1982, respectively (the tax applies to the Federal unemployment tax base). At September 30, 1983, the Fund had outstanding advances from the Federal Department of Labor of $63.8 million and an accumulated deficit of $28.4 million.

The Unemployment Compensation Fund may request advances from the Federal government for cash deficiencies of the Fund. Such advances are not debt of the District and are not repayable from any sources other than future private employer contributions.

Housing Finance

The Housing Finance Fund publicly sold its first bond issue for multiple housing in 1982. The General Fund was authorized to make advances to the Housing Finance Fund of $.5 million in 1981, $2 million in 1982 and $1.1 million in 1983, at an interest rate of 4% per annum for a term of 15 years and with a deferral of repayments for the first three years. Outstanding advances at September 30, 1983 were $2.1 million. The obligation to repay all or part of the advances is subject to the rights of holders of the bonds issued by the Fund and may be repaid only from the net income of the Fund. In 1983, the Fund received a transfer of $.7 million from the General Fund for operating expenses.

Debt Administration

Long Term Debt

Through 1983, the District could obtain long term financing from the United States Treasury. While the U.S. Treasury provides long term financing without the usual issuance costs associated with governmental debt offerings, the interest rate charged the District reflects the cost of funds to the U.S. Treasury. During fiscal 1983, the rate the District was charged by the U.S. Treasury for new loans was 10.75% vs. 14.25% in 1982. We continue to believe that substantial interest savings may be achieved when the District issues debt in the public market at tax-exempt interest rates as compared to continued borrowings from the U.S. Treasury at taxable interest rates.

The following summarizes the District's general obligation long term debt to the U.S. Treasury as of September 30, 1983 ($ millions).

General	$1,589.5
Water and Sewer	229.0
Total	$1,818.5

The foregoing $1,818.5 million in outstanding debt compares to $971.9 million when Home Rule commenced on January 2, 1975.

The Charter provides that the District's annual debt service cost may not exceed 14% of specified nongrant revenues. During fiscal 1983, the actual ratio was 8.1%, thereby placing the District's outstanding debt significantly below its ceiling.

The ratio of debt to assessed valuation and the amount of debt per capita are useful indicators of the District's debt position. These data for the District at the end of 1983 and 1982 were as follows.

	1983	1982
Ratio of debt to assessed property value	7.9%	8.4%
Debt per capita	$2,551	2,401

Note 5 in the financial section of this report and Exhibits S-6 through S-8 in the statistical section present more detailed information about the debt position of the District.

Short Term Debt

Through 1983, the District had the ability to borrow from the U.S. Treasury to meet current cash requirements. These loans are used to meet seasonal cash needs, are interest-free and are repaid by the end of the fiscal year. During fiscal years 1983 and 1982, temporary loans of $150 and $140 million, respectively, were borrowed and repaid to the U.S. Treasury on September 30.

Cash Management

The District follows an aggressive cash management policy which involves continued monitoring of current and projected cash positions. Overnight investments are used to the maximum extent. The District earned $10.1 million from its investments in 1983 and $14.4 million in 1982.

Summary Reports

The Summary of Changes in Cash and Investments (Exhibit S-15) of governmental funds corresponds to the Combined Statement of Changes in Financial Position (Exhibit 5) of proprietary funds. The Summary of Financial Activity (Exhibit S-16) of governmental and proprietary funds is a one-page report combining operating performance on a cost of services basis with financial performance. It provides information that can be helpful to users in making economic decisions.

Component Unit Financial Reports

Component unit financial reports are prepared and published for the Public Schools, University, General Hospital, Convention Center, Lottery and Games, Pension, Unemployment Compensation and Housing Finance. Copies of these reports may be obtained by writing to the respective organization units.

Independent Audit

District law (D.C. Code 47-119) requires an annual audit of the financial operations of the District government by an independent certified public accountant. The audit must be conducted in accordance with generally accepted auditing standards and the financial statements must be prepared in conformity with generally accepted accounting principles. This requirement has been complied with and the auditors' opinion has been included in this report. The law also provides that the auditor shall be selected for a four-year period and shall not succeed itself. It gives us great pleasure to thank the firms of Arthur Andersen & Co. and Lucas, Tucker & Co. for the superb manner in which they conducted the first four annual audits of the District of Columbia and to recognize their outstanding professional competence.

Certificate of Conformance

The Municipal Finance Officers Association of the United States and Canada (MFOA) awarded a Certificate of Conformance in Financial Reporting to the District of Columbia for its Comprehensive Annual Financial Report for the year ended September 30, 1982. In order to be awarded a Certificate of Conformance, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Conformance is valid for a period of one year only. We believe that our current report continues to conform to Certificate of Conformance Program requirements and we are submitting it to MFOA to determine its eligibility for another certificate.

Acknowledgements

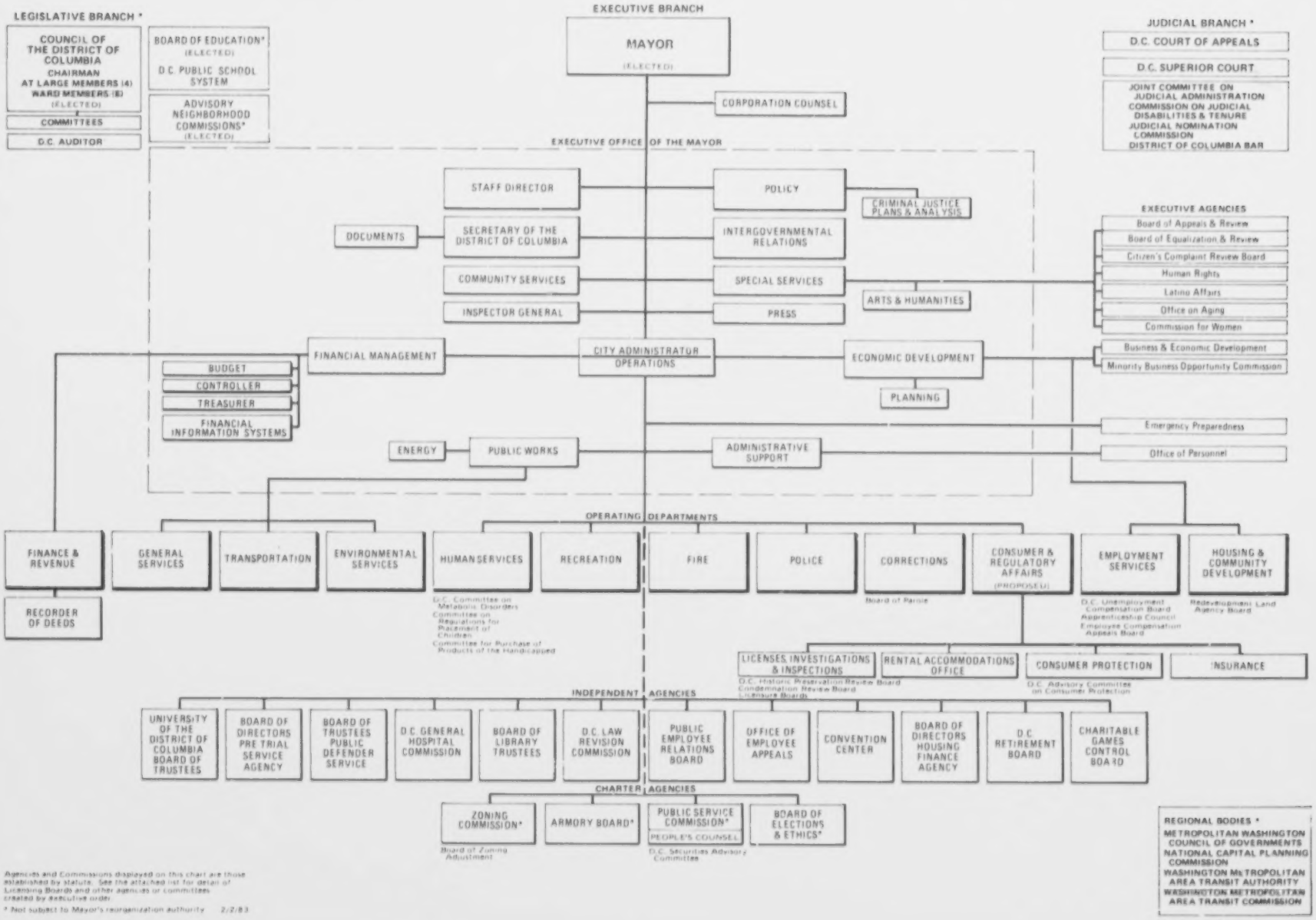
The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Controller's Office. We should like to express our appreciation to all members of the staff who assisted and contributed to its preparation. The staff's efforts toward upgrading the accounting and financial reporting systems of the District since its first annual audit in 1980 have led substantially to the improved quality of the information being reported to the citizens of the District, the President and the Congress.

Respectfully submitted,

Alphonse G Hill, CPA
Deputy Mayor for Finance

Melvin W. Jones
Controller

ORGANIZATION OF THE DISTRICT OF COLUMBIA GOVERNMENT



Agencies and Commissions displayed on this chart are those established by statute. See the attached list for detail of Licensing Boards and other agencies or committees created by executive order.

* Not subject to Mayor's reorganization authority 2/2/83

DISTRICT OF COLUMBIA

PRINCIPAL OFFICIALS

January 2, 1984

Chief Executive Officer

Marion S. Barry, Jr.	Mayor	1987

Executive Officers

Thomas M. Downs	City Administrator/Deputy Mayor for Operations
Curtis R. McClinton, Jr.	Deputy Mayor for Economic Development
Alphonse G Hill	Deputy Mayor for Finance
Inez S. Reid	Corporation Counsel
Clifton B. Smith	Staff Director
Dwight S. Cropp	Secretary of the District of Columbia
Melvin W. Jones	Controller
Jeffrey L. Humber, Jr.	Finance and Revenue Director
Elizabeth C. Reveal	Budget Director
Joyce Blalock	Inspector General

Council

David A. Clarke	Chairman	1987
Betty Ann Kane	At Large	1987
Hilda H. Mason	At Large	1987
Jerry A. Moore, Jr.	At Large	1985
John L. Ray	At Large	1985
Frank Smith, Jr.	Ward 1	1987
John A. Wilson	Ward 2	1985
Polly Shackleton	Ward 3	1987
Charlene Drew Jarvis	Ward 4	1985
William R. Spaulding	Ward 5	1987
Nadine P. Winter	Ward 6	1987
H. R. Crawford	Ward 7	1985
Wilhelmina J. Rolark	Ward 8	1985

Chief Judges

Theodore R. Newman, Jr.	Court of Appeals	1984
H. Carl Moultrie, I	Superior Court	1985

House of Representatives

Walter E. Fauntroy	Delegate	1985

Certificate of Conformance in Financial Reporting

Presented to

District of Columbia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 1982

A Certificate of Conformance in Financial Reporting is presented by the Municipal Finance Officers Association of the United States and Canada to governmental units and public employee retirement systems whose comprehensive annual financial reports (CAFR's) are judged to substantially conform to program standards.

Carol L White
President

Jeffrey L. Esser
Executive Director

FINANCIAL SECTION

This section contains two subsections:
General Purpose Financial Statements (Combined Statements-Overview)
and Combining and Individual
Fund Statements

GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS-OVERVIEW)

These basic financial statements provide a summary overview of the financial position of all fund types and account groups and of the operating results of all fund types.

Lucas, Tucker & Co.

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Washington, D.C. 20005
(202) 659-2911

ARTHUR ANDERSEN & CO

1666 K Street, N.W
Washington, D.C. 20006
(202) 862-3100

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

January 27, 1984

To the Mayor and Members of the
Council of the District of Columbia:

We have examined the general purpose financial statements of the District of Columbia as of September 30, 1983, and for the year then ended, listed as Exhibits 1 through 5 in the table of contents of this report. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the general purpose financial statements referred to above present fairly the financial position of the various funds and account groups of the District of Columbia as of September 30, 1983, and the results of their operations, changes in their retained earnings/fund balances and, for the proprietary fund types, changes in their financial position for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements listed in the table of contents as Exhibits A-1 through F-3 are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the District of Columbia. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Lucas, Tucker & Co. Arthur Andersen & Co.

DISTRICT OF COLUMBIA
ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET

September 30, 1983
($000s)

	Governmental Fund Types		Proprietary Fund Types			Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	Capital Projects	University	Enterprise (Note 9)	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Liabilities	1983	1982
ASSETS										
Current Assets:										
Cash and investments (Note 1)	$ 10,357	94,204	11,901	12,718	3,358	—	—	—	132,538	140,771
Receivables (net of allowances for uncollectibles)	134,101	—	910	54,996	351	—	—	—	190,358	161,490
Due from Federal government (Note 2)	82,720	20,393	2,159	1,230	—	—	—	—	106,502	108,718
Due from other funds (Note 3)	18,850	—	—	—	—	—	—	—	18,850	14,453
Advance to other funds	2,112	—	—	—	—	—	—	—	2,112	2,001
Inventory, at cost	11,599	1,552	50	6,605	2,375	—	—	—	22,181	20,938
Other current assets	708	97	3,613	756	—	—	—	—	5,174	6,284
Total current assets	260,447	116,246	18,633	76,305	6,084	—	—	—	477,715	454,655
Long Term Assets:										
Advance to other governments	—	—	—	24,300	—	—	—	—	24,300	—
Fixed Assets (Note 4):										
Property and equipment, at cost	—	—	109,741	706,445	3,793	—	2,717,996	—	3,537,975	3,294,161
Less - Accumulated depreciation	—	—	26,022	141,508	2,237	—	929,292	—	1,099,059	1,033,243
Net fixed assets	—	—	83,719	564,937	1,556	—	1,788,704	—	2,438,916	2,260,918
Restricted Assets:										
Cash and investments (Note 1)	—	—	7,695	—	—	437,170	—	—	444,865	322,970
Due from others (net of allowances for uncollectibles)	—	—	396	—	—	43,121	—	—	43,517	27,310
Due from Federal government (Note 2)	—	—	—	—	—	624,700	—	—	624,700	630,265
Due from other funds (Note 3)	—	—	—	—	—	12,614	—	—	12,614	11,554
Other restricted assets	—	—	—	—	—	942	—	—	942	1,046
Total restricted assets	—	—	8,091	—	—	1,118,547	—	—	1,126,638	993,145
Resources to be provided in future years	—	—	—	—	—	—	—	3,037,086	3,037,086	2,785,167
Total assets	$260,447	116,246	110,443	665,542	7,640	1,118,547	1,788,704	3,037,086	7,104,655	6,493,885

The accompanying notes are an integral part of this statement.

Exhibit 1

	Governmental Fund Types		Proprietary Fund Types			Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	Capital Projects	University	Enterprise (Note 9)	Internal Service	Trust and Agency	General Fixed Assets	General Long Term Liabilities	1983	1982
LIABILITIES AND FUND EQUITY										
Current Liabilities:										
Due to Federal government (Note 2)	$131,689	—	—	29,791	—	—	—	—	161,480	145,608
Due to other funds (Note 3)	—	—	—	31,015	350	—	—	—	31,365	16,165
Accounts payable	117,015	39,536	1,756	33,123	10,648	—	—	—	202,078	185,269
Compensation liabilities	91,212	—	4,263	9,479	2,995	—	—	—	107,949	116,174
Accrued liabilities	47,000	—	—	—	—	—	—	—	47,000	54,000
Deferred revenues	127,217	13,113	5,704	1,802	—	—	—	—	147,836	141,442
Other current liabilities	25,725	—	157	1,473	—	—	—	—	27,355	22,581
Total current liabilities	539,858	52,649	11,880	106,683	13,993	—	—	—	725,063	681,239
Long Term Liabilities:										
Due to Federal government (Note 2)	—	—	—	229,026	—	—	—	1,589,485	1,818,511	1,684,220
Advance from other funds	—	—	—	—	—	2,112	—	—	2,112	2,001
Other long term liabilities (Note 5)	—	—	323	—	—	—	—	1,447,601	1,447,924	1,282,877
Total long term liabilities	—	—	323	229,026	—	2,112	—	3,037,086	3,268,547	2,969,098
Liabilities Payable from Restricted Assets:										
Due to Federal government (Note 2)	—	—	—	—	—	64,323	—	—	64,323	41,395
Due to other funds (Note 3)	—	—	—	—	—	99	—	—	99	9,842
Due to others	—	—	—	—	—	94,073	—	—	94,073	81,738
Total restricted liabilities	—	—	—	—	—	158,495	—	—	158,495	132,975
Total liabilities	539,858	52,649	12,203	335,709	13,993	160,607	—	3,037,086	4,152,105	3,783,312
Commitments and Contingent Liabilities (Notes 11 and 12)										
Fund Equity:										
Contributed capital (Note 4)	—	—	83,396	373,669	3,159	—	—	—	460,224	410,256
Investment in general fixed assets (Note 4)	—	—	—	—	—	—	1,788,704	—	1,788,704	1,685,522
Retained earnings (deficit) since October 1, 1978	—	—	—	(43,836)	(9,512)	—	—	—	(53,348)	(31,985)
Fund balances:										
Reserved for:										
Advance to other funds	2,112	—	—	—	—	—	—	—	2,112	2,001
Encumbrances	6,642	63,597	—	—	—	—	—	—	70,239	98,878
Net restricted assets	—	—	8,091	—	—	960,052	—	—	968,143	860,170
Unreserved (deficit)	(288,165)	—	6,753	—	—	(2,112)	—	—	(283,524)	(314,269)
Total retained earnings/ fund balances (deficit) (Note 8)	(279,411)	63,597	14,844	(43,836)	(9,512)	957,940	—	—	703,622	614,795
Total fund equity (deficit)	(279,411)	63,597	98,240	329,833	(6,353)	957,940	1,788,704	—	2,952,550	2,710,573
Total liabilities and fund equity	$260,447	116,246	110,443	665,542	7,640	1,118,547	1,788,704	3,037,086	7,104,655	6,493,885

Exhibit 2

DISTRICT OF COLUMBIA
ALL GOVERNMENTAL FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

Year Ended September 30, 1983
($000s)

	General	Capital Projects	Totals (Memorandum Only) 1983	1982
Revenues:				
Taxes	$1,295,927	—	1,295,927	1,173,725
Licenses and permits	29,728	—	29,728	29,661
Fines and forfeits	22,658	—	22,658	22,124
Charges for services	84,819	—	84,819	68,491
Miscellaneous	21,116	—	21,116	18,033
Intergovernmental (Note 10)	753,730	42,727	796,457	726,267
Total revenues	2,207,978	42,727	2,250,705	2,038,301
Expenditures:				
Current:				
Governmental direction and support	55,196	—	55,196	50,057
Economic development and regulation	118,315	—	118,315	107,496
Public safety and justice	558,464	—	558,464	485,325
Public education system	448,763	—	448,763	417,778
Human support services	718,348	—	718,348	605,205
Transportation services and assistance	147,236	—	147,236	127,806
Environmental services and supply	42,980	—	42,980	44,822
Capital outlays	—	169,814	169,814	159,640
Debt service:				
Principal	26,340	—	26,340	25,419
Interest	126,877	—	126,877	112,368
Total expenditures	2,242,519	169,814	2,412,333	2,135,916
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(34,541)	(127,087)	(161,628)	(97,615)
Other Financing Sources (Uses):				
Proceeds of general fixed asset dispositions	—	—	—	2,966
Proceeds of general obligation notes	—	113,000	113,000	124,500
Employee benefits to be funded in future years	165,259	—	165,259	101,181
Operating transfers in (out)	(113,680)	—	(113,680)	(111,434)
Total other financing sources (uses)	51,579	113,000	164,579	117,213
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	**17,038**	**(14,087)**	**2,951**	**19,598**
Fund Balances (Deficit) at Beginning of Year	**(296,449)**	**77,684**	**(218,765)**	**(238,363)**
Fund Balances (Deficit) at End of Year	**$ (279,411)**	**63,597**	**(215,814)**	**(218,765)**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
GENERAL FUND

Exhibit 3

STATEMENT OF REVENUES, EXPENDITURES AND RECONCILIATION BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

Year Ended September 30, 1983
($000s)

	Budget	Actual (Note 1)	Variance-Favorable (Unfavorable)
Revenues:			
Taxes	$1,284,504	1,295,927	11,423
Licenses and permits	29,665	29,728	63
Fines and forfeits	23,249	22,658	(591)
Charges for services	25,288	28,111	2,823
Miscellaneous	19,858	20,465	607
Intergovernmental	381,737	380,932	(805)
Total revenues	1,764,301	1,777,821	13,520
Expenditures:			
Current:			
Governmental direction and support	45,335	43,954	1,381
Economic development and regulation	54,262	51,887	2,375
Public safety and justice	424,257	420,839	3,418
Public education system	378,702	377,654	1,048
Human support services	432,193	423,126	9,067
Transportation services and assistance	135,168	130,123	5,045
Environmental services and supply	32,833	32,225	608
Unallocated addition (rescission)	(15,184)	—	(15,184)
Debt service:			
Principal	27,887	27,624	263
Interest	114,317	114,317	—
Total expenditures	1,629,770	1,621,749	8,021
EXCESS OF REVENUES OVER EXPENDITURES	134,531	156,072	21,541
Other Financing Sources (Uses):			
Operating transfers in (out)	(109,356)	(113,680)	(4,324)
EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES	$ 25,175	42,392	17,217
Reconciliation to GAAP Basis on Exhibit 2:			
1. Increase in accruals		(13,099)	
2. Grant and similar revenues ($430,157) less expenditures ($431,036)		(879)	
3. Increase in inventory		769	
4. Payment of judgments		(2,348)	
5. Outstanding encumbrances ($6,642) less expenditures against prior year encumbrances ($16,439)		(9,797)	
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES		**$ 17,038**	

GAAP means "generally accepted accounting principles."

The acompanying notes are an integral part of this statement.

Exhibit 4

DISTRICT OF COLUMBIA
ALL PROPRIETARY FUND TYPES AND TRUST FUNDS

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS/FUND BALANCES

Year Ended September 30, 1983
($000s)

	Proprietary Fund Types			Fiduciary Fund Types	Totals (Memorandum Only)	
	University	Enterprise (Note 9)	Internal Service	Trust	1983	1982
Operating Revenues:						
Charges for services	$ 5,066	141,802	36,769	879	184,516	168,214
Lottery sales	—	23,825	—	—	23,825	7,601
Benefit contributions	—	—	—	297,684	297,684	302,091
Investment earnings	—	—	—	94,835	94,835	40,166
Total operating revenues	5,066	165,627	36,769	393,398	600,860	518,072
Operating Expenses:						
Personal services	55,482	86,823	24,725	369	167,399	154,000
Contractual services	3,767	49,001	16,684	150	69,602	56,116
Supplies	886	24,863	9,779	21	35,549	30,415
Occupancy costs	7,558	19,398	10,869	91	37,916	35,270
Depreciation (Note 4)	—	11,763	170	7	11,940	9,645
Benefit payments	—	—	—	282,281	282,281	267,426
Miscellaneous	7,508	10,277	1,230	47	19,062	16,624
Total operating expenses	75,201	202,125	63,457	282,966	623,749	569,496
OPERATING INCOME (LOSS)	(70,135)	(36,498)	(26,688)	110,432	(22,889)	(51,424)
Nonoperating Revenues (Expenses):						
Intergovernmental	6,785	—	—	—	6,785	6,506
Interest	1,503	(14,186)	—	(2,004)	(14,687)	(11,109)
Miscellaneous	2,987	—	—	—	2,987	3,351
Total nonoperating revenues (expenses)	11,275	(14,186)	—	(2,004)	(4,915)	(1,252)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(58,860)	(50,684)	(26,688)	108,428	(27,804)	(52,676)
Operating transfers in (out)	58,342	33,205	22,804	(671)	113,680	111,434
NET INCOME (LOSS)	**(518)**	**(17,479)**	**(3,884)**	**107,757**	**85,876**	**58,758**
Retained Earnings/Fund Balances (Deficit) at Beginning of Year	**15,362**	**(26,357)**	**(5,628)**	**850,183**	**833,560**	**774,802**
Retained Earnings/Fund Balances (Deficit) at End of Year	**$14,844**	**(43,836)**	**(9,512)**	**957,940**	**919,436**	**833,560**

The accompanying notes are an integral part of this statement.

Exhibit 5

DISTRICT OF COLUMBIA
ALL PROPRIETARY FUND TYPES

COMBINED STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended September 30, 1983
($000s)

	University	Enterprise (Note 9)	Internal Service	Totals (Memorandum Only) 1983	1982
Sources of Cash:					
Operations:					
Income (loss) before operating transfers	$(58,860)	(50,684)	(26,688)	(136,232)	(126,776)
Item not requiring cash - Depreciation	—	11,763	170	11,933	9,641
Working capital provided by (used in) operations	(58,860)	(38,921)	(26,518)	(124,299)	(117,135)
Increase (decrease) in current liabilities:					
Due to Federal government	—	3,312	—	3,312	2,257
Due to other funds	—	15,000	200	15,200	1,351
Accounts payable	213	5,619	(1,241)	4,591	4,257
Compensation liabilities	(1,238)	(1,158)	(625)	(3,021)	2,423
Deferred revenues	275	(2,784)	(1,249)	(3,758)	2,025
Other current liabilities	36	124	—	160	2,135
Decrease (increase) in current assets:					
Receivables	83	(3,248)	66	(3,099)	(1,479)
Due from Federal government	151	924	—	1,075	(970)
Due from other funds	—	—	8,000	8,000	2,567
Inventory	1	(726)	251	(474)	(1,210)
Other current assets	(283)	851	—	568	(633)
Net restricted assets	(105)	—	—	(105)	(31)
Cash provided by (used in) operations	(59,727)	(21,007)	(21,116)	(101,850)	(104,443)
Other sources of cash:					
Disposals of fixed assets	—	8	23	31	—
Proceeds of long term liabilities	—	51,471	—	51,471	20,500
Contributions of capital	3,370	52,636	—	56,006	45,705
Operating transfers in	58,342	45,209	22,804	126,355	115,972
Total sources of cash	1,985	128,317	1,711	132,013	77,734
Uses of Cash:					
Payment of advance	—	24,300	—	24,300	—
Acquisition of fixed assets	3,158	89,199	461	92,818	70,827
Payment of long term liabilities	212	3,840	—	4,052	3,763
Operating transfers out	—	12,004	—	12,004	4,240
Total uses of cash	3,370	129,343	461	133,174	78,830
INCREASE (DECREASE) IN CASH AND INVESTMENTS	**(1,385)**	**(1,026)**	**1,250**	**(1,161)**	**(1,096)**
Cash and Investments at Beginning of Year	**13,286**	**13,744**	**2,108**	**29,138**	**30,234**
Cash and Investments at End of Year	**$11,901**	**12,718**	**3,358**	**27,977**	**29,138**

The accompanying notes are an integral part of this statement.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Article I, Section 8 of the United States Constitution states, "The Congress shall have the power . . . to exercise exclusive legislation in all cases whatsoever, over such district (not exceeding ten miles square) as may, by cession of particular States, and the acceptance of Congress, become the seat of the government of the United States . . ." The District of Columbia was created and became the Nation's Capital in 1800. Congress granted the District a Charter which went into effect on January 2, 1975 (the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198, approved December 24, 1973). The District operates under an elected Mayor-Council form of government. An act of the Council, other than a budget act, becomes a law if it is not disapproved by a resolution of both Houses of Congress within 30 legislative days after it is adopted. The Council has no authority to impose any tax on the personal income of any individual who is not a resident of the District. Citizens of the District have the right to vote for President and Vice President of the United States but not for members of Congress. The District has an elected nonvoting delegate to the United States House of Representatives. The judges of the District courts are appointed by the President with the advice and consent of the Senate.

The District provides the following state, county and city services: judicial (courts), public safety (police, fire, corrections and regulatory affairs), public works (highways, streets, traffic control and sanitation), human services (health, welfare and employment services), leisure services (recreation and libraries), economic development (planning, zoning, urban renewal and housing), education (public schools) and general administrative services. In addition, the District operates a municipal university, a water and sewer utility service, a general hospital, a stadium and armory complex ("Starplex"), a convention center and a lottery.

The accounting policies of the District of Columbia conform to generally accepted accounting principles as promulgated by the National Council on Governmental Accounting, the Financial Accounting Standards Board and the American Institute of Certified Public Accountants. The following is a summary of the more significant policies.

B. FUND ACCOUNTING

The accounts of the District are organized in funds and account groups, each of which is considered a separate accounting entity. The accompanying financial statements include all funds and account groups of the District.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent. The various funds are grouped, in the accompanying financial statements, into six generic fund types and three broad fund categories as follows. (The District does not use Special Revenue, Debt Service or Special Assessment Funds because it has no activities which are required to be accounted for in these funds.)

Governmental Funds

The **General Fund** is used to account for all financial resources except those required to be accounted for in another fund. Principal and interest payments on general debt of the District are accounted for in the General Fund.

The **Capital Projects Fund** is used to account for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Proprietary Funds

University Funds are used to account for operations of the University of the District of Columbia. The accounting policies of the University conform to those set forth in the American Institute of Certified Public Accountants' **Audits of Colleges and Universities.**

Enterprise Funds are used to account for activities that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (including depreciation) of providing goods or services primarily or solely to the general public on a continuing basis be financed or recovered primarily through user charges. The accounting policies of the District of Columbia General Hospital conform to those set forth in the American Institute of Certified Public Accountants' **Hospital Audit Guide.**

Internal Service Funds are used to account for the financing of goods or services provided by one department primarily or solely to other departments of the District and to other governments on a cost recovery basis or at fair market prices.

Fiduciary Funds

Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. These include "nonexpendable" Trust Funds (Unemployment Compensation and Housing Finance), Pension Trust Funds and Agency Funds. The Trust Funds are accounted for in essentially the same manner as proprietary funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

The **General Fixed Assets Account Group** is used to account for all fixed assets other than those used by proprietary funds.

The **General Long Term Liabilities Account Group** is used to account for long term liabilities intended to be financed from the General Fund.

C. MEASUREMENT FOCUS

The accounting and reporting treatment applied to the fixed assets and long term liabilities associated with a fund is determined by its measurement focus as follows.

Governmental funds are accounted for on a spending or "financial flow" measurement focus which means that only current assets, noncurrent advance to other funds and current liabilities are included on their balance sheets. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Proprietary and trust funds are accounted for on a cost of services or "capital maintenance" measurement focus which means that all assets and liabilities (whether current or noncurrent) associated with their activities are included on their balance sheets. Proprietary and trust fund operating statements present increases (revenues) and decreases (expenses) in retained earnings or fund balance.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements, regardless of the measurement focus applied. Governmental and agency funds use the "modified" accrual basis and proprietary and trust funds use the accrual basis as follows.

Revenue Recognition

Governmental fund revenues are recognized when they become available and measurable. Available means collectible within the current year or within 60 days thereafter.

The property tax year is from July 1 to June 30. Real property taxes are levied on July 1 and are payable in two installments on September 15 and March 31. Personal property taxes are due in full on July 31. The District recognizes as revenues in its fiscal year ending September 30, 75% of the property taxes levied on July 1 of the prior year and 25% of the property taxes levied on July 1 of the current year, provided they are available. Real property taxes attach as an enforceable lien on property as of July 1 of the year after levy. Sales taxes and other taxes collected or withheld at the source are recognized as revenues when in the hands of intermediary collecting agents. Taxpayer-assessed taxes on income of individuals, corporations and unincorporated businesses, inheritance, estate and miscellaneous items are recognized as revenues when received unless the receipt is delayed beyond its normal time.

Allowances for taxes that will ultimately be uncollectible are estimated and recorded as reductions of revenues. Delinquent taxes incur interest and penalty charges which continue to accumulate until paid in full. Such amounts are billed and recorded as revenue. Costs incurred by the District in converting delinquent taxes into tax liens are added to the taxes receivable from delinquent taxpayers. Anticipated refunds of taxes are estimated based upon previous experience and are recorded as liabilities and reductions of revenues.

Grants are recognized as revenues when the related costs are incurred. Grants that are collected before the related costs have been incurred are reported as deferred revenues. Disallowances of grant expenditures are described in Note 12. Entitlements are recognized as revenues when received.

Water and sewer utility charges and other proprietary and trust fund revenues are recognized when they are earned and become measurable. The estimated amount of accounts receivable for goods or services sold but not billed is recorded at year end. Allowances for uncollectible accounts are estimated and recorded as expenses.

Expenditure and Expense Recognition

Expenditures are costs incurred to acquire goods and services. Expenses are expired costs of using goods and services. Expenditures and expenses are recognized when the liability is incurred, if measurable. Current expenditures for employee benefits to be funded in future years are charged to the compensation liabilities account and credited to "other financing sources" in the General Fund and recorded in the General Long Term Liabilities Account Group.

Interest on general obligation notes payable to the Federal government (see Note 5) is recognized in the fiscal year in which incurred. The first payment of principal and interest on a new note is due on October 1 of the second succeeding year after the proceeds are received. The accrued interest payable, which reflects 12 to 24 months of interest, is approximately 50% of the total assets of the General Fund at year end. Subsequent annual payments are at a constant amount. Because resources are accumulated in the General Fund during the current year for interest due on the first day of the following year, the expenditure is recognized as a current liability.

District employees earn vacation leave with pay at the rate of 13 days per year, 20 days per year after 3 years of service, and 26 days per year after 15 years of service. Vacation leave accumulates on a biweekly basis and is fully vested when earned. Accumulated vacation leave cannot exceed 30 days at the end of any leave year and any leave in excess of this amount expires. An accrual has been provided which reasonably estimates (at current pay rates) the amount of accumulated vacation leave. The current portion is recorded in the paying fund and the remainder of the liability is recorded in the General Long Term Liabilities Account Group (see Note 5).

District employees are entitled to sick leave with pay at the rate of 13 days per year. Sick leave accumulates on a biweekly basis without limitation and does not vest. Unused sick leave is credited at the rate of 22 days equal one month of service at the time of retirement and is added to years of service to increase the retirement annuity. No liability for accumulated sick leave is recognized and the expenditure is recorded in the fiscal year in which the sick leave is taken.

The annual District contribution to the Pension Trust Funds, calculated in conformity with the Retirement Reform Act (see Note 6), is less than one-half of the minimum pension cost defined by generally accepted accounting principles. This underfunding increases the normal cost and the unfunded actuarial liability at each annual actuarial evaluation. The Act also stipulates that if, at any time, the fund balance of any Pension Trust Fund is not sufficient to meet all obligations against the Fund, the Fund shall have a claim on the revenues of the District to the extent necessary to meet such obligations. Due to the unusual contribution provisions of the Retirement Reform Act, the unfunded pension cost since 1975 is more than 600% of the total assets of the General Fund at year end. In order to present fairly the financial position of the District government and to prevent its financial statements from being misleading, the unfunded portion of the annual pension cost is recorded as a long term liability.

Disability compensation covers benefit payments for occupational injuries, deaths and diseases suffered by employees of the District government (see Note 7). The discounted present value of total estimated benefits to disabled employees which are payable in future years is actuarially determined annually. The discounted present value, which is approximately 20% of the total assets of the General Fund at year end, is recorded as a long term liability.

Loss contingencies may arise from the risk of uncollectibility of receivables, refundability of tax and grant revenues, claims, judgments and property losses. A loss contingency is accrued when information available prior to issuance of the financial statements indicates it is probable that an asset has been impaired or a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. A loss contingency is not accrued, but is disclosed in the notes to the financial statements, if it is possible but not probable or, if the amount cannot be reasonably estimated. A loss contingency is not accrued or disclosed if it is remote (except for guarantees of indebtedness of others).

E. BUDGETING AND BUDGETARY CONTROL

Budgetary Procedures

The District follows these procedures in establishing the budgetary data for the General Fund reflected in the budgetary statement (Exhibit 3).

1. *Proposal*—Prior to February 1, the Mayor submits to the Council a proposed operating and capital budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them. The budget embodies estimates of specific (fixed) dollar amounts and contains a request for a Federal payment in lieu of taxes (see Note 10).
2. *Projects*—The capital budget is prepared on a "project length basis" under which the total outlay for each project is estimated for the length of the project. A capital budget on an "annual period basis" is not legally enacted so that a budgetary comparison for the Capital Projects Fund cannot be presented in the budgetary statement (Exhibit 3).
3. *Adoption*—Public hearings are conducted by the Council to obtain taxpayer comments on the proposed budget. Prior to March 1, the budget is adopted by the Council through passage of a budget act which becomes an appropriation law when it is enacted by Congress. The Council may not adopt any budget in which expenditures and other financing uses exceed revenues and other financing sources for the District government as a whole.
4. *Approval*—Prior to April 1, the Mayor forwards the adopted budget to the President of the United States for approval. The Mayor may not forward any budget which is not balanced.
5. *Appropriation*—Prior to April 15, the President submits the approved budget to Congress who conducts public hearings and enacts the budget and the Federal payment in lieu of taxes through passage of an appropriation law.
6. *Amendment*—The Mayor is authorized to transfer budgeted amounts up to $25,000 between organizational units (responsibility centers) and budgeted amounts up to $50,000 between object categories (personal services and other than personal services) within the same organizational unit. Any revisions that exceed these amounts must be approved by the Council. Any revisions that alter the total expenditures of any functional classification by more than $50,000 must be approved by Congress. The budgeted amounts in the budgetary statement (Exhibit 3) include the original and supplemental appropriation laws enacted by Congress for the fiscal year.
7. *Integration*—Formal budgetary integration by fund, source or object class and organization unit is employed as a management control device for the General and Capital Projects Funds.
8. *Compliance*—"Actual" expenditures and operating transfers out may not legally exceed "budget" appropriations for each of the nine functional classifications which are shown in the budgetary statement (Exhibit 3).

Budgetary Basis

The legal authorization granted by Congress to incur obligations for specific purposes (the "appropriation") is enacted on a basis not consistent with generally accepted accounting principles (GAAP). The General Fund budgetary statement (Exhibit 3) includes a reconciliation of the "Excess of revenues and other sources over expenditures" on the non-GAAP budgetary basis with the "Excess of revenues and other sources over expenditures" shown in the governmental funds operating statement (Exhibit 2) on the GAAP basis. The significant differences between the non-GAAP budgetary basis and the GAAP basis are the following.

1. *Accruals*—The budgetary basis does not include expenditures which are payable in future years. The GAAP basis includes expenditures incurred in the current year which are payable in the current or future years.
2. *Grants*—The budgetary basis does not include expenditures funded by (a) Federal grants because such expenditures are included in the appropriations of the Federal grantor agencies, (b) "grant-like" resources and (c) "offsetting collections." The GAAP basis includes all revenues from whatever source derived and both appropriation and nonappropriation expenditures.
3. *Inventory*—The budgetary basis records inventory items such as materials and supplies as expenditures when they are purchased. The GAAP basis records inventory items as expenditures when they are consumed or sold.
4. *Judgments*—The appropriation authorizes the use of such sums as may be necessary for the payment of judgments which have been entered against the District government but does not appropriate a specific dollar amount. (An amount is appropriated for the settlement of claims and suits against the District.) Because no amount is appropriated for judgments, such expenditures are not included in the budgetary basis.

Encumbrances

Encumbrances are commitments to acquire goods and services. The recording of purchase orders and contracts in order to reserve that portion of the applicable appropriation is employed as an extension of formal budgetary integration in the General and Capital Projects Funds. Encumbrances lapse at year end with some immaterial exceptions and do not constitute expenditures or liabilities. No part of any appropriation remains available for expenditure beyond the current fiscal year except for capital projects.

F. CASH AND INVESTMENTS

All cash is accounted for as part of the fund to which it belongs. However, a separate bank account is not maintained for each fund unless required by law. Any cash which is not needed for immediate disbursement is pooled to purchase short term investments. Governmental and proprietary fund investments are stated at lower of cost or market. Fiduciary fund investments are stated at market and include interest receivable.

G. INVENTORY

Inventory is stated at cost (first-in, first-out) which is not in excess of market. Inventory consists of materials and supplies held for consumption or sale. The cost is recorded as an expenditure or expense at the time individual inventory items are used or sold.

H. FIXED ASSETS

The District capitalizes fixed assets (including public domain or "infrastructure" assets) which have an acquisition cost of $500 or more per unit and a useful life of more than two years. Repairs and maintenance are charged to operations as incurred. Betterments are capitalized. Costs of assets retired are removed from the asset and accumulated depreciation accounts.

Interest costs incurred during construction of fixed assets are capitalized as a part of construction costs. Interest to be capitalized is computed by applying the effective interest rate on the borrowings each year to the average balance of the costs incurred.

All fixed assets are included in the financial statements at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are recorded at their estimated fair value on the date donated.

Fixed assets used in governmental activities are recorded and accounted for in the General Fixed Assets Account Group. Costs to acquire such assets are charged as current expenditures or capital outlays, and proceeds from dispositions are credited as "other financing sources." Depreciation on general fixed assets is charged to Investment in General Fixed Assets and credited to Accumulated Depreciation in the General Fixed Assets Account Group. This depreciation is not recorded in the General Fund. Interest costs capitalized during construction of general fixed assets are charged to Property and Equipment and credited to Investment in General Fixed Assets in the General Fixed Assets Account Group. This capitalized interest has no effect on the General Fund where all debt service is recorded as an expenditure.

Fixed assets and accumulated depreciation associated with proprietary activities are included on proprietary fund balance sheets. Depreciation of proprietary fixed assets is charged as an operating expense (except in University Funds) and capitalized interest is not charged as an expense.

Depreciation has been provided over the estimated useful lives of fixed assets using the straight-line method. The estimated useful lives are as follows.

Streets and bridges	30 years
Storm drains	60 years
Water and sewer facilities	60 years
Buildings and fixtures	30-50 years
Furniture and equipment	3-15 years
Transit system investment	33 years

I. LONG TERM LIABILITIES

Long term debt expected to be financed from the General Fund is credited as "other financing sources" in the Capital Projects Fund when the proceeds are received and charged as expenditures in the General Fund when the debt service payments are made. Such debt is recorded and accounted for in the General Long Term Liabilities Account Group.

All long term liabilities associated with proprietary and fiduciary activities are included on their balance sheets.

J. RESTRICTED ASSETS AND LIABILITIES

All assets of fiduciary funds are restricted as to use by legal or contractual requirements. The accompanying balance sheet segregates restricted assets, and liabilities which are payable from restricted assets, from assets which are unrestricted and therefore are available for general purposes. Any excess of restricted assets over liabilities payable from restricted assets is reported as a reservation of fund balance.

K. COMPARATIVE DATA

Summary comparative data for the prior year have been presented in the accompanying financial statements to provide an understanding of changes in the District's financial position and operations. Prior year totals by fund type have not been presented in each of the statements because their inclusion would make the statements unduly complex and difficult to read.

L. TOTAL COLUMNS ON GENERAL PURPOSE FINANCIAL STATEMENTS

Total columns on the General Purpose Financial Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation because interfund eliminations and other appropriate consolidating entries have not been made in the aggregation of these data.

(2) DUE FROM OR TO FEDERAL GOVERNMENT

Amounts due from or to the Federal government are included in the following categories in the accompanying combined balance sheet at September 30 ($000s).

	1983	1982
Current Assets (Note 10):		
Revenue sharing entitlements	$ 4,238	4,664
Operating grants	81,871	79,091
Capital grants	20,393	24,963
Total	**$ 106,502**	**108,718**
Restricted Assets:		
Future pension obligation (Note 6)	$ 603,700	616,276
Unemployment compensation program (Note 7)	—	389
Surtax on Federal unemployment tax (Note 7)	21,000	13,600
Total	**$ 624,700**	**630,265**
Current Liabilities (Note 5):		
Accrued interest payable - General	$ 131,689	119,129
Accrued interest payable - Enterprise	23,748	20,699
Current maturities of notes payable - Enterprise	6,043	5,780
Total	**$ 161,480**	**145,608**
Long Term Liabilities (Note 5):		
General obligation notes payable - Enterprise	$ 229,026	181,395
General obligation notes payable - General	1,589,485	1,502,825
Total	**$1,818,511**	**1,684,220**
Liabilities Payable From Restricted Assets (Note 7):		
Unemployment compensation advances	$ 63,757	41,395
Unemployment compensation program	566	—
Total	**$ 64,323**	**41,395**

Receivables include amounts due from the Federal government for prison services and other transactions further described in Note 10. Accounts payable include amounts due to the Federal government for supplies purchased, prison services, water and sewer service advance payments, mental hospital services, and other transactions further described in Note 10. Compensation liabilities include amounts due to the Federal government for income taxes, Civil Service and Social Security withheld from employees and the District's matching contributions for such withholdings. Amounts contributed by the Federal government in grants which were used to finance the acquisition of fixed assets are described in Note 4.

(3) DUE FROM OR TO OTHER FUNDS

Individual fund interfund receivable and payable balances at September 30, 1983 are summarized below ($000s).

Fund	Receivables		Payables	
	Due From	Advance To	Due To	Advance From
General	$ 18,850	2,112	—	—
Water and sewer	—	—	31,000	—
Starplex	—	—	15	—
Motor vehicle maintenance	—	—	350	—
Pension	12,614	—	—	—
Unemployment compensation	—	—	99	—
Housing finance	—	—	—	2,112
Total	**$ 31,464**	**2,112**	**31,464**	**2,112**

The advance agreements provide for repayment within 15 years from the Housing Finance Fund's net income to the extent it is available outside of the lien of the indenture (Note 5).

(4) FIXED ASSETS

A. GENERAL FIXED ASSETS

A summary of changes in general fixed assets and in investment in general fixed assets follows ($000s).

Asset Class	Balance October 1, 1982	Acquisitions	Transfers/ Retirements	Balance September 30, 1983
Land	$ 102,436	1,599	3,371	107,406
Streets and bridges	793,509	—	34,920	828,429
Storm drains	121,425	—	202	121,627
Buildings and fixtures	1,019,823	—	63,225	1,083,048
Furniture and equipment	113,163	27,391	(2,212)	138,342
Construction in progress	56,823	155,037	(154,340)	57,520
Transit system investment	344,198	—	37,426	381,624
Total	**2,551,377**	**184,027**	**(17,408)**	**2,717,996**
Less- Accumulated depreciation	865,855	67,640	(4,203)	929,292
Net general fixed assets	**$1,685,522**	**116,387**	**(13,205)**	**1,788,704**
Federal capital grants	$ 483,064	45,194	(27,682)	500,576
District resources	1,202,458	138,833	(53,163)	1,288,128
Total investment in general fixed assets	**$1,685,522**	**184,027**	**(80,845)**	**1,788,704**

Acquisitions consist of expenditures ($000s) from the General Fund ($28,990) for land, furniture and fixtures and from the Capital Projects Fund ($152,903) plus capitalized interest ($2,134) for construction in progress. When a project is completed, costs in the construction in progress account are transferred to one or more of the other asset classes or are retired. The foregoing net cost of buildings and fixtures includes $212 million at September 30, 1983 and 1982 for buildings which were constructed on land owned by the Federal government.

A schedule of changes in general fixed assets by function follows ($000s).

Function	Balance October 1, 1982	Acquisitions	Transfers/ Retirements	Balance September 30, 1983
Governmental direction and support	$ 75,335	7,952	(20,174)	63,113
Economic development and regulation	209,460	2,783	29,439	241,682
Public safety and justice	219,476	3,131	20,870	243,477
Public education system	542,544	11,926	19,358	573,828
Human support services	98,149	667	19,675	118,491
Transportation services and assistance	807,330	1,324	35,597	844,251
Environmental services and supply	198,062	1,207	(5,259)	194,010
Construction in progress	56,823	155,037	(154,340)	57,520
Transit system investment	344,198	—	37,426	381,624
Total	**$2,551,377**	**184,027**	**(17,408)**	**2,717,996**

B. PROPRIETARY FIXED ASSETS

A summary of proprietary fixed assets and contributed capital at September 30, 1983 follows ($000s).

Asset Class	University	Enterprise	Internal Service
Land	$ 8,729	23,243	8
Water and sewer facilities	—	472,650	—
Buildings and fixtures	81,620	156,529	719
Furniture and equipment	19,392	24,870	3,066
Construction in progress	—	29,153	—
Total	**109,741**	**706,445**	**3,793**
Less- Accumulated depreciation	26,022	141,508	2,237
Net proprietary fixed assets	**$83,719**	**564,937**	**1,556**
Federal capital grants	$ —	125,026	—
District resources	83,396	248,643	3,159
Total contributed capital	**$83,396**	**373,669**	**3,159**

A summary of changes in contributed capital during 1983 follows ($000s).

	University	Enterprise	Internal Service
Federal capital grants:			
Balance at beginning of year	**$ —**	**123,626**	**—**
Additional grants	—	3,687	—
Less- Depreciation	—	2,287	—
Balance at end of year	**$ —**	**125,026**	**—**
District resources:			
Balance at beginning of year	**$83,777**	**199,694**	**3,159**
Additional resources	3,370	48,949	—
Less- Depreciation	3,751	—	—
Balance at end of year	**$83,396**	**248,643**	**3,159**

C. CONSTRUCTION IN PROGRESS

A summary of construction in progress at September 30, 1983, by function, follows ($000).

Function	Expend-itures	Interest Capitalized	Total
Governmental direction	$12,447	861	13,308
Economic development	207	12	219
Public safety	16,464	436	16,900
Public education	15,684	2,337	18,021
Human services	6,813	651	7,464
Environmental services	1,415	193	1,608
Total general	**$53,030**	**4,490**	**57,520**
Water and sewer	$24,992	2,285	27,277
General hospital	776	—	776
Convention center	1,100	—	1,100
Total proprietary	**$26,868**	**2,285**	**29,153**

D. TRANSIT SYSTEM INVESTMENT

Capital Outlays

The Washington Metropolitan Area Transit Authority was created in 1967, with the consent of Congress, by Maryland, Virginia and the District, to construct and operate a 101 mile, 86 station, rapid rail transit system, and to purchase and operate the area's privately owned buses. Construction began in 1967 and, as of September 30, 1983, 39 miles and 44 stations of the rail transit system were operational. Thirty-two miles and 22 stations were under construction or substantially complete at that date. Twenty miles and 12 stations were under final design. The remainder of the system, 10 miles and 8 stations, is expected to be completed by 1993.

The estimated total cost of constructing the rail transit system is $10 billion of which almost $5 billion has already been spent. An additional $60.4 million was incurred to purchase the area's privately owned bus companies in 1973.

Maryland, Virginia and the District make annual cash payments to the Transit Authority for capital purposes. The District paid $12.0 million in 1983 and $15.8 million in 1982 as its share of the capital outlays. The District's cumulative payments are reflected in the General Fixed Assets Account Group and are being amortized over 33 years, the estimated useful life of the Transit Authority's assets. The District's share of capital outlays for the next five years is estimated to be as follows ($000s).

Year	Share of Estimated Capital Outlays
1984	$15,000
1985	24,800
1986	26,550
1987	26,550
1988	28,900

Debt Service

To finance construction, the Transit Authority issued $997 million of revenue bonds (at interest rates from 7.30% to 8.35%) which were guaranteed by the Federal government. The District's estimated share of the Transit Authority's principal and interest payments for these bonds is $410 million which will require a payment of $10 million annually through 2014.

Operating Losses

For its fiscal years ended June 30, 1983 and 1982, the Transit Authority reported that operating expenses (including depreciation) exceeded operating revenues by $273.6 million and $234.0 million, respectively. The District paid $90.5 million in 1983 and $78.4 million in 1982 as its share of the operating losses.

The District's share of the Transit Authority's predicted operating losses for the next five years is estimated to be as follows ($000s).

Year	Share of Estimated Operating Losses
1984	$ 95,400
1985	96,800
1986	108,000
1987	145,300
1988	164,000

The District's share of the Transit Authority's annual debt service and operating loss was reported as current expenditures of the transportation services in the General Fund.

Future Federal Grants

Congress' long range authorization of construction costs is now considered insufficient to complete the 101 mile system. The Transit Authority's total allotment would amount to $7.2 billion if all Federal and local government sources contributed. This would fall $2.8 billion short of the probable cost of completing the system to 101 miles. State and local governments now furnish 20% of construction costs with the Federal government supplying 80%.

School Transit Subsidy

In addition to the foregoing payments, the District pays an amount each year to the Transit Authority to subsidize school bus and rail service. The school transit subsidy paid by the District to the Transit Authority was $3.1 million in 1983 and $4.1 million in 1982. The subsidy payments were reported as current expenditures of the public education system in the General Fund.

E. DEPRECIATION AND INTEREST

The depreciation recorded on fixed assets and the interest costs capitalized during construction of fixed assets, by fund or account group, for 1983 follow ($000s).

Fund or Account Group	Depreciation Recorded	Interest Capitalized
Water and sewer	$ 6,159	1,700
General hospital	3,168	4
Starplex	889	—
Convention center	1,510	1,847
Lottery and games	37	—
General services	90	—
Correctional industries	77	—
Motor vehicle maintenance	3	—
Housing finance	7	—
General fixed assets	67,640	2,134
Total	**$79,580**	**5,685**

Additional depreciation in the amount ($000s) of $2,287 on fixed assets acquired through Federal capital grants was charged directly to Contributed Capital in the Water and Sewer Fund. Depreciation in the amount ($000s) of $3,751 was charged directly to Contributed Capital in the University Funds.

(5) LONG TERM LIABILITIES

A. LONG TERM DEBT

Long term debt consists of borrowings by the District from the Federal government for capital projects. The rate of interest approximates the cost of money to the Federal government at loan commencement. The average interest rate of the outstanding debt was 7.84% at September 30, 1983 and 7.44% at September 30, 1982. The terms of the loans vary from 5 to 60 years depending upon the type of capital project. The loans are general obligation notes secured by the full faith and credit of the District (including the portion of the debt related to the Water and Sewer Enterprise Fund) with no pledge of property, sinking fund provisions, subordination, restrictive covenants or default provisions. No short term loans have been, or can be, refinanced through long term loans from the Federal government.

The following is a summary of long term loan transactions of the District with the Federal government ($000s).

	General	Enterprise	Total
Notes payable at October 1, 1982	**$1,502,825**	**187,175**	**1,690,000**
New note proceeds (10.75%)	113,000	51,471	164,471
Total	**1,615,825**	**238,646**	**1,854,471**
Less- Note payments	26,340	3,577	29,917
Notes payable at September 30, 1983	**1,589,485**	**235,069**	**1,824,554**
Deduct- Current liabilities	—	6,043	6,043
Long term liabilities	**$1,589,485**	**229,026**	**1,818,511**

The annual requirements to amortize the total loans outstanding at September 30, 1983, including interest payments, are as follows ($000s).

Year	Principal	Interest	Total
1984	$ 33,895	155,437	189,332
1985	34,246	152,593	186,839
1986	37,294	150,165	187,459
1987	39,844	147,615	187,459
1988	42,469	144,873	187,342
1989-1993	258,903	676,039	934,942
1994-1998	332,294	573,213	905,507
1999-2041	1,045,609	773,952	1,819,561
Total	**$1,824,554**	**2,773,887**	**4,598,441**

B. NO COMMITMENT LONG TERM DEBT

The National Capital Housing Authority, a predecessor entity of the District, had outstanding debt of approximately $124 million at September 30, 1983 which is not included in the accompanying financial statements. The debt is guaranteed by the Federal government and is repayable solely from future Federal debt service grants to the District.

The District has issued $55 million in debt which is being used by a private university in the District to construct facilities. This debt is repayable solely from defined revenues of the university and is not included in the accompanying financial statements.

In 1982, the Housing Finance Fund issued 40-year Multi-Unit Housing Program bonds in the principal amount of $57.5 million less a discount of $42.2 million. The net proceeds of $15.3 million is included in the amount due to others on the balance sheet of the Trust and Agency Funds. The bonds are payable solely from defined revenues and assets of the Fund and are not secured by the general credit of the Fund or the District.

C. OTHER LONG TERM LIABILITIES

The following is a summary of changes in other long term liabilities ($000s).

Account	Balance October 1, 1982	Additions	Deductions	Balance September 30, 1983
Accumulated vacation leave (Note 1)	$ 12,566	722	—	13,288
Accrued pension costs (Note 6)	1,201,295	153,593	—	1,354,888
Accrued disability benefits (Note 7)	68,481	10,944	—	79,425
Miscellaneous	535	—	212	323
Total	**$1,282,877**	**165,259**	**212**	**1,447,924**

The current portion of the liability for accumulated vacation leave ($000s) was $47,735 at September 30, 1983 and $43,030 at September 30, 1982.

(6) PENSION PLANS

A. TYPES OF PLANS

All District employees are covered by one of four pension plans: Federal Civil Service Retirement System, Federal Social Security System, College Teachers Retirement System or District Retirement Program. The Federal Civil Service Retirement System which covers approximately 27,500 permanent employees and the Federal Social Security System which covers approximately 11,900 temporary employees are administered by the Federal government. The College Teachers Retirement System which covers approximately 1,000 University employees is a multiemployer plan administered by the nationwide Teachers Insurance and Annuity Association/College Retirement Equities Fund. The District Retirement Program which covers approximately 11,700 judges, police officers, fire fighters and public school teachers is a single employer plan administered by the District.

B. PLANS NOT ADMINISTERED BY THE DISTRICT

The District contributed $39.7 million in 1983 ($34.0 million in 1982) to the Federal Civil Service Retirement System, $4.8 million in 1983 ($4.3 million in 1982) to the Federal Social Security System and $3.7 million in 1983 ($3.5 million in 1982) to the College Teachers Retirement System. These contributions were matched by employee contributions of 7% for Civil Service, statutory rates for Social Security, and 5% to 15% for College Teachers. The District has no further liability to these systems.

C. PLAN ADMINISTERED BY THE DISTRICT

The District sponsors the District Retirement Program which is administered by a Retirement Board and accounted for as Pension Trust Funds. The Retirement Program has defined benefits which increase semi-annually based upon the Consumer Price Index. Benefits are payable upon retirement or disability and refunds are made upon death or other termination. Employee contributions are 3.5% of salary for judges and 7% for police officers, fire fighters and teachers. Administrative costs of the Retirement Board are funded by appropriations of the General Fund and earnings of the Pension Trust Funds.

Federal Contribution

On January 2, 1975, when the District of Columbia Self-Government and Governmental Reorganization Act became effective, the accrued actuarial liability for vested benefits under the District Retirement Program was $1.9 billion. In recognition of this fact, the Retirement Reform Act (Public Law 96-122, approved November 17, 1979) authorized the Federal government to make 25 annual contributions of $52.1 million, starting in 1980, to the Pension Trust Funds. These contributions total $1.3 billion and had a present value in 1975 of $486.8 million, using a 7% rate of interest. The present value of the future Federal obligation was $603.7 million at September 30, 1983. The amount is included in due from the Federal government on the balance sheet of the Trust and Agency Funds.

District Contribution

The Retirement Reform Act also provided that, for each year before 2005, the District will pay to the Pension Trust Funds a sum equal to normal cost plus interest on the unfunded actuarial liability (past service costs) or net pay-as-you-go cost (benefit payments less employee contributions), whichever is less, plus annual amortization. An amount is calculated each year to amortize with interest, over a ten year period, the difference between the projected unfunded actuarial liability as of September 30, 2004 and the unfunded actuarial liability at September 30, 1979 increased by the inflation assumption to September 30, 2004. The actual annual amortization payment may not exceed 30% (10% for police officers and fire fighters) of the net pay-as-you-go cost. In 1983, amortization over 10 years would have been $100.7 million. Due to the percentage limitation, the actual amortization was $15.1 million. The 25 annual Federal contributions to the Pension Trust Funds will end in 2004. Beginning in 2005, the District's annual contributions to the Pension Trust Funds will increase to cover the then normal cost plus interest on the then unfunded actuarial liability. It is estimated that the unfunded actuarial present value of accumulated plan benefits will be $13.5 billion at September 30, 2004.

The District's contributions to the Pension Trust Funds for 1983 and 1982 were as follows ($000s).

	1983	1982
(1) Normal cost plus interest:		
Normal cost (estimate)	$ 85,300	89,300
Interest on unfunded actuarial liability	304,900	160,900
Total	**390,200**	**250,200**
(2) Net pay-as-you-go cost	**122,400**	**118,600**
(3) Mandatory contribution:		
Lesser of (1) or (2)	122,400	118,600
Add- Annual amortization (at 30% or 10%)	15,100	11,200
Subtotal	**137,500**	**129,800**
(4) Nonmandatory contribution	**5,358**	**5,980**
District contribution	**$142,858**	**135,780**

Actuarial information for 1983 reflects changes in certain assumptions (primarily interest, cost of living adjustments, salary increases and timing of retirement) and more accurate estimates as a result of improvements in the quality of participant data provided to the actuary. The combined effect of these changes is to increase the unfunded actuarial liability and the related annual amortization.

Annual Pension Cost

Pension costs for 1983 and 1982 were calculated in accordance with Accounting Principles Board Opinion No. 8 as follows ($000s).

	1983	1982
Normal cost (actual)	$ 94,637	85,527
Interest on accrued pension costs	82,502	72,364
Interest on unfunded actuarial liability at 1/2/75 (7%)	80,220	83,360
Amortization of unfunded actuarial liability at 1/2/75 (over 20 or 25 years from 1976)	47,800	44,660
Less- Amortization of favorable investment results	8,708	5,630
Total	**$296,451**	**280,281**

The annual pension cost, less the District contribution, was added to the accrued pension costs included in the General Long Term Liabilities Account Group (Note 5). There was no offsetting accrued pension asset on the balance sheet of the Trust and Agency Funds because the accrued pension costs were unfunded.

Actuarial Liability

In January 1983, the actuarial present value of accumulated benefits to participants of the Program and the net assets available for those benefits at September 30, 1982 were calculated as follows ($000s).

Vested accumulated benefits	$3,527,800
Nonvested accumulated benefits	32,836
Actuarial present value of accumulated benefits	**$3,560,636**
Net assets available	**$ 882,966**

Changes in Restricted Cash and Investments

A summary of changes in the restricted cash and investments of the Pension Trust Funds follows ($000s).

	1983	1982
Net income	$103,699	90,949
Increase (decrease) in restricted liabilities:		
Due from others (employees)	(244)	(431)
Due from Federal government	12,576	11,753
Due from other funds	(1,060)	(520)
Decrease (increase) in restricted assets:		
Due to others (retirees)	1,179	807
Cash provided by operations	**116,150**	**102,558**
Cash and investments at beginning of year	265,993	163,435
Cash and investments at end of year	**$382,143**	**265,993**

The foregoing net income includes unrealized appreciation on investments of $32.7 million in 1983 and $10.5 million in 1982.

(7) EMPLOYMENT SECURITY

A. UNEMPLOYMENT COMPENSATION

The District administers the Unemployment Compensation System pursuant to Federal law and approval of the Secretary of Labor. It is accounted for as a separate Unemployment Compensation Trust Fund. It pays statutory benefits to unemployed former employees of the District and Federal governments and private employers carrying on employment in the District. The Fund is administered by the Unemployment Compensation Board. All administrative costs of the program are paid by the General Fund and reimbursed by a Federal grant. The District and Federal governments reimburse the Fund for benefits paid by it to their respective unemployed former employees.

If unemployment benefit payments exceed the cumulative amount of contributions paid by private employers, the Fund requests advances to cover the deficiency from the Federal government. All advances will be repaid by subsequent private employer contributions or by a surtax on Federal unemployment taxes levied upon private employers. Advances are not general obligations of the District and they will not be repaid from any source other than unemployment contributions. Interest is charged (at the prevailing rate) on advances made after March 31, 1982. Such interest, $2.2 million through 1983, must be paid from the General Fund because the Unemployment Compensation Trust Fund is prohibited from paying interest. The changes in the advances from the Federal government to the Unemployment Compensation Trust Fund were as follows ($000s).

	1983	1982
Advances payable at beginning of year	**$ 41,395**	**51,258**
New advances	33,361	—
Total	**74,756**	**51,258**
Less- Payments	10,999	9,863
Advances payable at end of year	**$ 63,757**	**41,395**

An analysis of restricted amounts due from or to others at September 30, 1983 follows ($000s).

Account	Restricted Receivables	Restricted Payables
Claimants	$ 220	3,129
Employers	11,598	370
States	5,074	628
Total	**$ 16,892**	**4,127**

A summary of changes in the restricted cash of the Unemployment Compensation Trust Fund follows ($000s).

	1983	1982
Net income (loss)	$ 3,845	(16,574)
Increase (decrease) in restricted liabilities:		
Due from others	(6,221)	3,141
Due from Federal government	(7,011)	(3,740)
Decrease (increase) in restricted assets:		
Due to Federal government	22,928	(9,863)
Due to other funds	(9,743)	9,842
Due to others	(2,342)	(3)
Cash provided by (used in) operations	**1,456**	**(17,197)**
Cash at beginning of year	836	18,033
Cash at end of year	**$ 2,292**	**836**

Cash on deposit with, and advances payable to, the Federal government are shown as restricted assets and liabilities payable from restricted assets, respectively, on the balance sheet of the Trust and Agency Funds.

B. DISABILITY COMPENSATION

The District administers the Disability Compensation System which covers occupational injury, death or disease involving employees of the District government. The system is accounted for in the General Fund. There is no separate governing board. The discounted present value of total estimated benefits to disabled individuals which are payable in future years is actuarially determined and accrued annually in the General Long Term Liabilities Account Group (Note 5).

C. WORKERS' COMPENSATION

The District administers the Workers' Compensation System which covers occupational injury, death or disease involving employees of private employers carrying on employment in the District. The system is accounted for in the General Fund. There is no separate governing board.

(8) RETAINED EARNINGS/FUND BALANCES OF INDIVIDUAL FUNDS

Retained earnings (deficits) of individual Enterprise and Internal Service Funds and fund balances (deficits) of individual Trust Funds at September 30 are summarized below ($000s).

Fund	1983	1982
Water and sewer	$ (54,130)	(35,730)
General hospital	(10,814)	(10,744)
Starplex	(1,604)	(2,580)
Convention center	21,840	22,284
Lottery and games	872	413
Total Enterprise	**$ (43,836)**	**(26,357)**
General services	$ (9,556)	(5,878)
Correctional industries	856	824
Motor vehicle maintenance	(812)	(574)
Total Internal Service	**$ (9,512)**	**(5,628)**
Pension	$986,665	882,966
Unemployment compensation	(28,365)	(32,210)
Housing Finance	(360)	(573)
Total Trust	**$957,940**	**850,183**

The deficit in the retained earnings of the Water and Sewer Fund will be eliminated by rate increases scheduled annually from 1984 through 1988.

The deficit in the fund balance of the Unemployment Compensation Trust Fund will be reduced or eliminated by future unemployment contributions or surtaxes collected from private employers as explained in Note 7.

(9) SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Segment information for 1983 for each Enterprise Fund was as follows ($000s).

	Water and Sewer	General Hospital	Starplex	Convention Center	Lottery and Games	Total
Operating revenues:						
Gross	$ 89,683	116,419	5,446	1,572	54,071	267,191
Deductions	—	71,318(a)	—	—	30,246(b)	101,564
Operating expenses:						
Depreciation	6,159	3,168	889	1,510	37	11,763
All other	87,425	81,103	3,581	6,643	11,610	190,362
Operating income (loss)	(3,901)	(39,170)	976	(6,581)	12,178	(36,498)
Interest revenue (expense)	(14,499)	—	—	28	285	(14,186)
Operating transfers in (out)	—	39,100	—	6,109	(12,004)	33,205
Net income (loss)	(18,400)	(70)	976	(444)	459	(17,479)
Working capital (deficit)	(44,069)	12,059	697	620	315	(30,378)
Capital expenditures	65,991	5,149	1,991	15,474	594	89,199
Total assets	466,229	68,256	16,064	112,004	2,989	665,542
Long term liabilities	229,026	—	—	—	—	229,026
Capital contributions	36,458	2,084	—	14,094	—	52,636
Total fund equity	154,912	48,578	14,111	111,360	872	329,833

(a) Charity services, contract adjustments and bad debts. (b) Prizes and commissions paid by agents.

(10) OTHER TRANSACTIONS WITH FEDERAL GOVERNMENT

A. PAYMENT IN LIEU OF TAXES

The Federal payment to the District is in lieu of taxes and for costs incurred by the District in its role as the Nation's Capital. The District includes a request for a payment in lieu of taxes in its annual budget as described in Note 1. The District received $361.0 million in 1983 and $336.6 million in 1982.

B. REVENUE SHARING ENTITLEMENTS

The District's revenue sharing entitlements were $19.9 million in 1983 and $18.7 million in 1982.

C. OPERATING GRANTS

The District participates in Federal grant-in-aid programs. A summary of revenues reported in the General Fund from major Federal operating grant programs, by function, follows ($000s).

Function	Program	1983	1982
Governmental direction	Various	$ 6,906	5,966
Economic development	Community development	18,370	14,117
	Public housing	24,199	23,721
	Other	11,141	9,836
Public safety	Various	1,064	1,523
Public education	Education Acts projects	23,201	27,552
	Impact aid	3,278	2,545
	Child nutrition	11,888	11,139
	Other	919	684
Human services	Medicaid	98,952	73,221
	Public assistance	38,287	42,145
	Comprehensive Employment and Training Act	16,247	16,560
	Unemployment compensation	6,856	5,941
	Employment services	6,843	6,772
	Other	101,237	83,468
Transportation services	Various	2,423	2,691
Environmental services	Various	987	1,453
Total		**$372,798**	**329,334**

D. CAPITAL GRANTS

Federal capital grants are used for the acquisition or construction of fixed assets. Capital grants, except for the Water and Sewer Enterprise Fund, are recorded as intergovernmental revenues in the Capital Projects Fund and as Investment in General Fixed Assets for general fixed assets or Contributed Capital for proprietary fixed assets. Capital grants to the Water and Sewer Enterprise Fund are recorded in its Fixed Assets and Contributed Capital accounts. A summary of revenues reported in the Capital Projects Fund from major Federal capital grant programs, by function, follows ($000s).

Function	Program	1983	1982
Governmental direction	Various	$ 325	218
Economic development	Public housing facilities	13,364	8,688
Public safety	Various	360	25
Human services	Various	741	449
Transportation services	Streets, bridges and transit	27,937	32,297
Total		**$42,727**	**41,677**

E. COMMERCIAL TRANSACTIONS

The District and Federal governments buy and sell goods and services to each other. Among these transactions were the following.

Prisons

The Federal government can house Federal prisoners in District prisons. The Federal government reimburses the District for such services at cost. The amount was $1.1 million in 1983 and $1.3 million in 1982. Similarly, District judges can house District prisoners in Federal prisons. The District reimburses the Federal government for such services at cost. The amount was $16.6 million in 1983 and $15.8 million in 1982.

Mental Hospital

The District purchases certain mental health services from Saint Elizabeths Hospital, a Federal institution. The amount was $24.7 million in 1983 and $22.9 million in 1982.

Aqueduct

The District exercises no oversight responsibility over the Washington Aqueduct which is owned by the Federal government and operated by the United States Army Corps of Engineers. The District reimburses the Federal government for all operating expenses and capital outlays of the Washington Aqueduct. The operating expenses were $11.6 million in 1983 and $10.9 million in 1982. The capital outlays are capitalized and depreciated over 60 years in the Water and Sewer Enterprise Fund. These outlays were $11.2 million in 1983 and $9.9 million in 1982.

The Federal government paid the District $11.8 million in 1983 and $13.5 million in 1982 in lieu of reimbursements for charges for water, water services and sanitary sewer services furnished to facilities of the Federal government. These operating revenues and the operating expenses were recorded in the Water and Sewer Enterprise Fund (Note 9).

F. SHORT TERM DEBT

The District borrowed money from the Federal government during the year on a non-interest bearing basis to meet seasonal cash flow requirements. During 1983 and 1982, the maximum amounts borrowed were $150 million and $140 million, respectively. These amounts were repaid at the end of each fiscal year.

(11) COMMITMENTS

The District leases facilities and equipment under operating lease agreements (there are no material capital leases), of which most equipment leases contain options to cancel at the end of each fiscal year. Rental expenditures were $28 million in 1983 and $23 million in 1982.

(12) CONTINGENT LIABILITIES

A. LITIGATION

The District is a defendant in a number of pending bodily injury and property damage lawsuits. An accrual of $8 million in the General Fund has been provided which reasonably estimates the probable settlement of claims and suits and the payment of judgments against the District that may result from such tort liability. No accrual has been provided for possible but not probable additional claims and judgments which are reasonably estimated at $12 million.

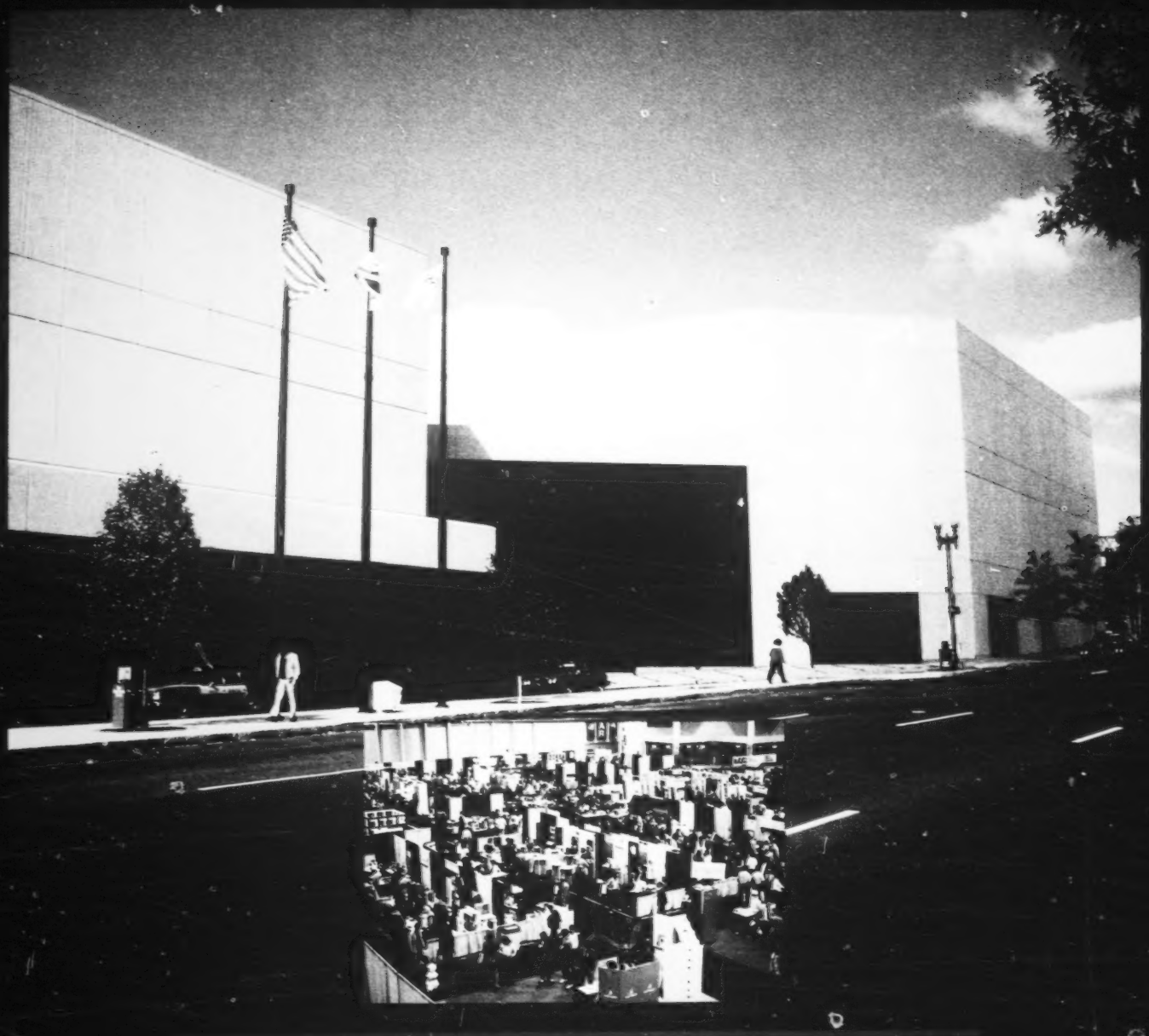
B. FEDERALLY ASSISTED PROGRAMS

The District participates in a number of Federally assisted grant programs as described in Note 10. These grants are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for the year ended September 30, 1983 have not yet been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. An accrual of $13 million in the General Fund has been provided which reasonably estimates the probable amount of expenditures that may be disallowed by the granting agencies.

C. RISK MANAGEMENT POLICY

The District self-insures against all risks, except group health and life, on an unfunded basis. Losses are recorded as incurred. No material casualty losses of real or personal property occurred in 1983 or 1982.

COMBINING AND INDIVIDUAL FUND STATEMENTS



Where the District has more than one fund of a given type, combining statements for all funds of that type are presented in columnar format.

Where the District has only one fund of a given type, individual fund statements are presented with prior year comparisons.

GENERAL FUND

To account for all financial resources except those required to be accounted for in another fund. All fixed assets of the District government except those related to specific proprietary funds are accounted for through the General Fixed Assets Account Group. All long term liabilities of the District government except those related to specific proprietary and fiduciary funds are accounted for through the General Long Term Liabilities Account Group.

Exhibit A-1

DISTRICT OF COLUMBIA
GENERAL FUND

COMPARATIVE BALANCE SHEET

September 30, 1983 and 1982
($000s)

	1983	1982
ASSETS		
Current Assets:		
Cash and investments (Note 1)	$ 10,357	25,834
Receivables (net of allowances for uncollectibles)	134,101	108,332
Due from Federal government (Note 2)	82,720	79,291
Due from other funds (Note 3)	18,850	6,453
Advance to other funds	2,112	2,001
Inventory, at cost	11,599	10,830
Other current assets	708	1,250
Total assets	**$260,447**	**233,991**
LIABILITIES AND FUND BALANCE		
Current Liabilities:		
Due to Federal government (Note 2)	$131,689	119,129
Accounts payable	117,015	122,011
Compensation liabilities	91,212	96,416
Accrued liabilities	47,000	54,000
Deferred revenues	127,217	117,773
Other current liabilities	25,725	21,111
Total liabilities	**539,858**	**530,440**
Commitments and Contingent Liabilities (Notes 11 and 12)		
Fund Balance:		
Reserved for:		
Advance to other funds	2,112	2,001
Encumbrances	6,642	21,194
Unreserved (deficit)	(288,165)	(319,644)
Total fund balance (deficit)	**(279,411)**	**(296,449)**
Total liabilities and fund balance	**$260,447**	**233,991**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
GENERAL FUND

Exhibit A-2

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Years Ended September 30, 1983 and 1982
($000s)

	1983	1982
Revenues:		
Taxes:		
Property	$ 368,195	326,125
Sales and use	331,569	300,725
Income and franchise	546,207	508,930
Other	49,956	37,945
Total taxes	1,295,927	1,173,725
Licenses and permits	29,728	29,661
Fines and forfeits	22,658	22,124
Charges for services	84,819	68,491
Miscellaneous	21,116	18,033
Intergovernmental (Note 10)	753,730	684,590
Total revenues	2,207,978	1,996,624
Expenditures:		
Current:		
Governmental direction and support	55,196	50,057
Economic development and regulation	118,315	107,496
Public safety and justice	558,464	485,325
Public education system	448,763	417,778
Human support services	718,348	605,205
Transportation services and assistance	147,236	127,806
Environmental services and supply	42,980	44,822
Debt service:		
Principal	26,340	25,419
Interest	126,877	112,368
Total expenditures	2,242,519	1,976,276
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(34,541)	20,348
Other Financing Sources (Uses):		
Proceeds of general fixed asset dispositions	—	2,966
Employee benefits to be funded in future years	165,259	101,181
Operating transfers in (out):		
University Funds	(58,342)	(53,021)
Water and Sewer Fund	—	(550)
General Hospital Fund	(39,100)	(31,412)
Convention Center Fund	(6,109)	(5,008)
Lottery and Games Fund	12,004	4,240
General Services Fund	(22,804)	(25,981)
Pension Funds	1,417	298
Housing Finance Fund	(746)	—
Total other financing sources (uses)	51,579	(7,287)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	**17,038**	**13,061**
Fund Balance (Deficit) at Beginning of Year	**(296,449)**	**(309,510)**
Fund Balance (Deficit) at End of Year	**$ (279,411)**	**(296,449)**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
GENERAL FUND

Exhibit A-3

STATEMENT OF EXPENDITURES BY FUNCTION

Year Ended September 30, 1983
With Comparative Totals for Year Ended September 30, 1982
($000s)

Function	Personal Services	Contractual Services	Supplies	Occupancy Costs	Miscellaneous	Totals 1983	Totals 1982
Governmental direction and support:							
Financial management	$ 8,570	3,407	337	720	(221)	12,813	13,085
Personnel	10,851	451	99	132	236	11,769	11,054
Council	4,224	337	96	110	279	5,046	4,638
Other	10,727	5,313	192	361	8,975	25,568	21,280
Total	34,372	9,508	724	1,323	9,269	55,196	50,057
Economic development and regulation:							
Housing and community development	24,740	16,394	879	20,510	19,831	82,354	77,004
Finance and revenue	12,631	1,466	153	201	446	14,897	13,958
Other	16,786	2,649	197	632	800	21,064	16,534
Total	54,157	20,509	1,229	21,343	21,077	118,315	107,496
Public safety and justice:							
Corporation counsel	6,059	661	41	80	382	7,223	6,542
Corrections	56,998	1,413	9,880	6,751	20,515	95,557	85,029
Courts	32,093	11,540	373	424	1,764	46,194	41,817
Fire	95,953	716	1,126	1,186	798	99,779	107,159
Police	283,405	3,317	2,449	2,731	4,558	296,460	245,527
Claims and judgments	—	—	—	—	4,434	4,434	(8,336)
Other	3,704	939	97	144	3,933	8,817	7,587
Total	478,212	18,586	13,966	11,316	36,384	558,464	485,325
Public education system:							
Libraries	8,913	492	189	1,411	1,077	12,082	11,323
Schools	368,744	11,817	12,426	16,130	23,373	432,490	401,027
Other	—	98	8	36	4,049	4,191	5,428
Total	377,657	12,407	12,623	17,577	28,499	448,763	417,778
Human support services:							
Employment services	22,269	13,274	403	2,153	12,642	50,741	50,683
Human services	152,807	30,256	6,475	13,296	359,022	561,856	524,366
Recreation	18,420	1,034	1,144	1,355	538	22,491	22,589
Other	32,978	7,823	36	158	42,265	83,260	7,567
Total	226,474	52,387	8,058	16,962	414,467	718,348	605,205
Transportation services and assistance:							
Transportation	29,150	12,437	1,058	12,708	3,141	58,494	55,453
Transit Authority	—	—	—	—	88,651	88,651	72,274
Other	—	—	—	—	91	91	79
Total	29,150	12,437	1,058	12,708	91,883	147,236	127,806
Environmental services and supply:							
Environmental services	29,880	6,603	3,302	2,282	913	42,980	44,822
Debt service	—	—	—	—	153,217	153,217	137,787
Total	**$1,229,902**	**132,437**	**40,960**	**83,511**	**755,709**	**2,242,519**	**1,976,276**

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS FUND

To account for the purchase or construction of fixed assets which are wholly or partly financed by Federal capital grants or general obligation notes. The Capital Projects Fund is not used to account for the acquisition of general fixed assets which are financed wholly from revenues of the General Fund. Such items are accounted for as current expenditures of that Fund.

Fixed assets are capitalized in the General Fixed Assets Account Group or in the proprietary fund to which they apply. Expenditures for items which are below the minimum cost or life of a fixed asset unit are not capitalized.

Exhibit B-1

DISTRICT OF COLUMBIA
CAPITAL PROJECTS FUND

COMPARATIVE BALANCE SHEET

September 30, 1983 and 1982
($000s)

	1983	1982
ASSETS		
Current Assets:		
Cash	$ 94,204	85,799
Due from Federal government (Note 2)	20,393	24,963
Inventory, at cost	1,552	1,552
Other current assets	97	97
Total assets	**$116,246**	**112,411**
LIABILITIES AND FUND BALANCE		
Current Liabilities:		
Accounts payable	$ 39,536	22,322
Deferred revenues	13,113	12,405
Total liabilities	**52,649**	**34,727**
Commitments and Contingent Liabilities (Notes 11 and 12)		
Fund Balance:		
Reserved for encumbrances	**63,597**	**77,684**
Total liabilities and fund balance	**$116,246**	**112,411**

The accompanying notes are an integral part of this statement.

Exhibit B-2

DISTRICT OF COLUMBIA
CAPITAL PROJECTS FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

Years Ended September 30, 1983 and 1982
($000s)

	1983	1982
Revenues:		
Intergovernmental (Note 10)	$ 42,727	41,677
Expenditures:		
Capital outlays:		
General fixed assets	152,903	120,201
Proprietary fixed assets	16,911	39,439
Total expenditures	169,814	159,640
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(127,087)	(117,963)
Other Financing Sources:		
Proceeds of general obligation notes	113,000	124,500
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	**(14,087)**	**6,537**
Fund Balance at Beginning of Year	**77,684**	**71,147**
Fund Balance at End of Year	**$ 63,597**	**77,684**

The accompanying notes are an integral part of this statement.

UNIVERSITY FUNDS

The University of the District of Columbia is a land-grant institution offering higher education to the general public. The University is governed by a Board of Trustees. Eleven members of the Board are appointed by the Mayor with the consent of the Council, one member is a full-time student, and three members are appointed by the alumni associations.

The accounting and reporting of the University is in conformity with generally accepted accounting principles promulgated by the American Institute of Certified Public Accountants in its **Audits of Colleges and Universities.** The University uses fund accounting and the accrual basis of accounting. Depreciation of property and equipment is not charged to operations. It is recorded by charging Contributed Capital and crediting Accumulated Depreciation.

The University records its operations in three fund types: current (unrestricted and restricted), fiduciary (loan and endowment) and plant (fixed assets). The totals of accounts in these three fund types are shown in one column in the accompanying financial statements. The fund equity of the University is reported as Contributed Capital (investment in net plant) and Fund Balance.

Exhibit C-1

DISTRICT OF COLUMBIA
UNIVERSITY FUNDS

COMPARATIVE BALANCE SHEET

September 30, 1983 and 1982
($000s)

	1983	1982
ASSETS		
Current Assets:		
Cash and investments (Note 1)	$ 11,901	13,286
Receivables (net of allowances for uncollectibles)	910	993
Due from Federal government (Note 2)	2,159	2,310
Inventory, at cost	50	51
Other current assets	3,613	3,330
Total current assets	18,633	19,970
Fixed Assets (Note 4):		
Property and equipment, at cost	109,741	106,699
Less- Accumulated depreciation	26,022	22,387
Net fixed assets	83,719	84,312
Restricted Assets:		
Cash and investments (Note 1)	7,695	7,397
Due from others (net of allowances for uncollectibles)	396	589
Total restricted assets	8,091	7,986
Total assets	**$110,443**	**112,268**
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts payable	$ 1,756	1,543
Compensation liabilities	4,263	5,501
Deferred revenues	5,704	5,429
Other current liabilities	157	121
Total current liabilities	11,880	12,594
Long Term Liabilities:		
Other long term liabilities (Note 5)	323	535
Total liabilities	**12,203**	**13,129**
Commitments and Contingent Liabilities (Notes 11 and 12)		
Fund Equity:		
Contributed capital (Note 4)	83,396	83,777
Fund balance:		
Reserved for net restricted assets	8,091	7,986
Unreserved	6,753	7,376
Total fund balance	14,844	15,362
Total fund equity	**98,240**	**99,139**
Total liabilities and fund equity	**$110,443**	**112,268**

The accompanying notes are an integral part of this statement.

Exhibit C-2

DISTRICT OF COLUMBIA
UNIVERSITY FUNDS

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

Years Ended September 30, 1983 and 1982
($000s)

	1983	1982
Operating Revenues:		
Charges for services	$ 5,066	4,499
Operating Expenses:		
Personal services	55,482	51,439
Contractual services	3,767	3,921
Supplies	886	844
Occupancy costs	7,558	4,500
Miscellaneous	7,508	7,163
Total operating expenses	75,201	67,867
OPERATING INCOME (LOSS)	(70,135)	(63,368)
Nonoperating Revenues:		
Intergovernmental	6,785	6,506
Interest	1,503	1,525
Miscellaneous	2,987	3,351
Total nonoperating revenues	11,275	11,382
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(58,860)	(51,986)
Operating transfers in:		
General Fund	58,342	53,021
NET INCOME (LOSS)	**(518)**	**1,035**
Fund Balance at Beginning of Year	**15,362**	**14,327**
Fund Balance at End of Year	**$14,844**	**15,362**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
UNIVERSITY FUNDS

Exhibit C-3

COMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITION

Years Ended September 30, 1983 and 1982
($000s)

	1983	1982
Sources of Cash:		
Operations:		
Income (loss) before operating transfers	$(58,860)	(51,986)
Increase (decrease) in current liabilities:		
Accounts payable	213	(1,684)
Compensation liabilities	(1,238)	359
Deferred revenues	275	(170)
Other current liabilities	36	37
Decrease (increase) in current assets:		
Receivables	83	(364)
Due from Federal government	151	(778)
Due from other funds	—	10,417
Inventory	1	19
Other current assets	(283)	220
Net restricted assets	(105)	(31)
Cash provided by (used in) operations	(59,727)	(43,961)
Other sources of cash:		
Contributions of capital	3,370	3,873
Operating transfers in	58,342	53,021
Total sources of cash	1,985	12,933
Uses of Cash:		
Acquisition of fixed assets	3,158	3,686
Payment of long term liabilities	212	187
Total uses of cash	3,370	3,873
INCREASE (DECREASE) IN CASH AND INVESTMENTS	**(1,385)**	**9,060**
Cash and Investments at Beginning of Year	**13,286**	**4,226**
Cash and Investments at End of Year	**$11,901**	**13,286**

The accompanying notes are an integral part of this statement.

ENTERPRISE FUNDS

To account for operations that are financed and operated in a manner similar to private business enterprises—where the intent is that the expenses (including depreciation) of providing goods or services primarily or solely to the general public be financed or recovered primarily through user charges.

The **Water and Sewer Fund** is used to account for the provision of water and sewer services to residents of the District. All activities necessary to provide such services are accounted for in this Fund, including administration, operations, maintenance, debt service, billing and collecting.

The **General Hospital Fund** is used to account for the costs of providing medical and surgical treatment to sick and injured residents by the District of Columbia General Hospital. The Hospital is governed by eleven Commissioners appointed by the Mayor with the consent of the Council. The accounting and reporting of the Hospital is in conformity with generally accepted accounting principles promulgated by the American Institute of Certified Public Accountants in its **Hospital Audit Guide.**

The **Starplex Fund** is used to account for maintaining and operating the District of Columbia National Guard Armory to provide facilities for the quartering and training of the National Guard and for major athletic events, conventions, concerts and other activities; and for maintaining and operating the Robert F. Kennedy Memorial Stadium for athletic and other events. The Armory and Stadium are governed by a three member Armory Board, two of whose members are appointed by the Mayor with the consent of the Council. The third member is the commanding general of the District of Columbia National Guard.

The **Convention Center Fund** is used to account for maintaining and operating the Washington Convention Center for local public shows and exhibitions, civic and community events and gatherings, athletic and cultural events, entertainment and other activities. The Convention Center is governed by five Directors appointed by the Mayor with the consent of the Council. The Convention Center opened for business on January 5, 1983.

The **Lottery and Games Fund** is used to account for revenues from lotteries and daily numbers games operated by the District of Columbia and from licenses to conduct bingo games and raffles, and related prizes, expenses and capital outlays. Gambling activities are administered by a Lottery and Charitable Games Control Board consisting of five members appointed by the Mayor with the consent of the Council. All moneys made available to the Lottery and Games Fund by the General Fund must be derived from non-Federal revenues.

Exhibit D-1

DISTRICT OF COLUMBIA
ENTERPRISE FUNDS

COMBINING BALANCE SHEET

September 30, 1983
With Comparative Totals for September 30, 1982
($000s)

	Water and Sewer	General Hospital	Starplex	Convention Center	Lottery and Games	Totals 1983	Totals 1982
ASSETS							
Current Assets:							
Cash and investments (Note 1)	$ 327	8,049	2,160	500	1,682	12,718	13,744
Receivables (net of allowances for uncollectibles)	33,146	20,883	241	257	469	54,996	51,748
Due from Federal government (Note 2)	1,152	78	—	—	—	1,230	2,154
Inventory, at cost	3,597	2,727	—	—	281	6,605	5,879
Other current assets	—	—	249	507	—	756	1,607
Total current assets	38,222	31,737	2,650	1,264	2,432	76,305	75,132
Long Term Assets:							
Advance to other governments	24,300	—	—	—	—	24,300	—
Fixed Assets (Note 4):							
Property and equipment, at cost	511,247	57,886	24,462	112,256	594	706,445	632,627
Less- Accumulated depreciation	107,540	21,367	11,048	1,516	37	141,508	142,831
Net fixed assets	403,707	36,519	13,414	110,740	557	564,937	489,796
Total assets	**$466,229**	**68,256**	**16,064**	**112,004**	**2,989**	**665,542**	**564,928**
LIABILITIES AND FUND EQUITY							
Current Liabilities:							
Due to Federal government (Note 2)	$ 29,791	—	—	—	—	29,791	26,479
Due to other funds (Note 3)	31,000	—	15	—	—	31,015	16,015
Accounts payable	16,341	13,689	1,743	334	1,016	33,123	27,504
Compensation liabilities	3,120	5,986	167	62	144	9,479	10,637
Deferred revenues	1,539	3	—	248	12	1,802	4,586
Other current liabilities	500	—	28	—	945	1,473	1,349
Total current liabilities	82,291	19,678	1,953	644	2,117	106,683	86,570
Long Term Liabilities:							
Due to Federal government (Note 2)	229,026	—	—	—	—	229,026	181,395
Total liabilities	**311,317**	**19,678**	**1,953**	**644**	**2,117**	**335,709**	**267,965**
Commitments and Contingent Liabilities (Notes 11 and 12)							
Fund Equity:							
Contributed capital (Note 4)	209,042	59,392	15,715	89,520	—	373,669	323,320
Retained earnings (deficit) since October 1, 1978	(54,130)	(10,814)	(1,604)	21,840	872	(43,836)	(26,357)
Total fund equity	**154,912**	**48,578**	**14,111**	**111,360**	**872**	**329,833**	**296,963**
Total liabilities and fund equity	**$466,229**	**68,256**	**16,064**	**112,004**	**2,989**	**665,542**	**564,928**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
ENTERPRISE FUNDS

Exhibit D-2

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

Year Ended September 30, 1983
With Comparative Totals for Year Ended September 30, 1982
($000s)

	Water and Sewer	General Hospital	Starplex	Convention Center	Lottery and Games	Totals 1983	Totals 1982
Operating Revenues:							
Charges for services	$ 89,683	45,101	5,446	1,572	—	141,802	130,232
Lottery sales	—	—	—	—	23,825	23,825	7,601
Total operating revenues	89,683	45,101	5,446	1,572	23,825	165,627	137,833
Operating Expenses:							
Personal services	24,141	57,306	1,855	2,240	1,281	86,823	77,810
Contractual services	27,155	8,357	812	2,816	9,861	49,001	40,620
Supplies	14,646	9,860	50	243	64	24,863	20,023
Occupancy costs	11,746	5,580	828	1,033	211	19,398	15,822
Depreciation (Note 4)	6,159	3,168	889	1,510	37	11,763	9,471
Miscellaneous	9,737	—	36	311	193	10,277	8,932
Total operating expenses	93,584	84,271	4,470	8,153	11,647	202,125	172,678
OPERATING INCOME (LOSS)	(3,901)	(39,170)	976	(6,581)	12,178	(36,498)	(34,845)
Nonoperating Revenues (Expenses):							
Interest	(14,499)	—	—	28	285	(14,186)	(12,468)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(18,400)	(39,170)	976	(6,553)	12,463	(50,684)	(47,313)
Operating transfers in (out):							
General Fund	—	39,100	—	6,109	(12,004)	33,205	32,730
NET INCOME (LOSS)	**(18,400)**	**(70)**	**976**	**(444)**	**459**	**(17,479)**	**(14,583)**
Retained Earnings (Deficit) at Beginning of Year	**(35,730)**	**(10,744)**	**(2,580)**	**22,284**	**413**	**(26,357)**	**(11,774)**
Retained Earnings (Deficit) at End of Year	**$ (54,130)**	**(10,814)**	**(1,604)**	**21,840**	**872**	**(43,836)**	**(26,357)**

The accompanying notes are an integral part of this statement.

Exhibit D-3

DISTRICT OF COLUMBIA
ENTERPRISE FUNDS

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended September 30, 1983
With Comparative Totals for Year Ended September 30, 1982
($000s)

	Water and Sewer	General Hospital	Starplex	Convention Center	Lottery and Games	Totals 1983	Totals 1982
Sources of Cash:							
Operations:							
Income (loss) before operating transfers	$ (18,400)	(39,170)	976	(6,553)	12,463	(50,684)	(47,313)
Item not requiring cash - Depreciation	6,159	3,168	889	1,510	37	11,763	9,471
Working capital provided by (used in) operations	(12,241)	(36,002)	1,865	(5,043)	12,500	(38,921)	(37,842)
Increase (decrease) in current liabilities:							
Due to Federal government	3,312	—	—	—	—	3,312	2,257
Due to other funds	15,000	—	—		—	15,000	1,351
Accounts payable	1,938	2,614	1,338	323	(594)	5,619	4,923
Compensation liabilities	118	(1,516)	53	59	128	(1,158)	1,723
Deferred revenues	(2,990)	(1)	—	195	12	(2,784)	2,195
Other current liabilities	—	—	28	—	96	124	849
Decrease (increase) in current assets:							
Receivables	(1,304)	(1,136)	(116)	(257)	(435)	(3,248)	(965)
Due from Federal government	964	(40)	—	—	—	924	(192)
Inventory	80	(690)	9	—	(125)	(726)	(78)
Other current assets	1,087	—	(230)	(6)	—	851	(853)
Cash provided by (used in) operations	5,964	(36,771)	2,947	(4,729)	11,582	(21,007)	(26,632)
Other sources of cash:							
Disposals of fixed assets	8	—	—	—	—	8	—
Proceeds of long term liabilities	51,471	—	—	—	—	51,471	20,500
Contributions of capital	36,458	2,084	—	14,094	—	52,636	45,335
Operating transfers in	—	39,100	—	6,109	—	45,209	36,970
Total sources of cash	93,901	4,413	2,947	15,474	11,582	128,317	76,173
Uses of Cash:							
Payment of advances	24,300	—	—	—	—	24,300	—
Acquisition of fixed assets	65,991	5,149	1,991	15,474	594	89,199	70,599
Payment of long term liabilities	3,840	—	—	—	—	3,840	3,576
Operating transfers out	—	—	—	—	12,004	12,004	4,240
Total uses of cash	94,131	5,149	1,991	15,474	12,598	129,343	78,415
INCREASE (DECREASE) IN CASH	**(230)**	**(736)**	**956**	**—**	**(1,016)**	**(1,026)**	**(2,242)**
Cash at Beginning of Year	**557**	**8,785**	**1,204**	**500**	**2,698**	**13,744**	**15,986**
Cash at End of Year	**$ 327**	**8,049**	**2,160**	**500**	**1,682**	**12,718**	**13,744**

The accompanying notes are an integral part of this statement.

INTERNAL SERVICE FUNDS

To account for the financing of goods or services provided by one department of the District primarily or solely to other departments of the District and to other governments on a cost recovery basis or at fair market prices.

The **General Services Fund** is used to account for the costs of constructing, renting, protecting and maintaining general governmental buildings and plants; purchasing and custody of supplies; monitoring public utility services purchased; and operating a print shop. Services provided to other departments of the District are billed at actual cost including depreciation of property and equipment.

The **Correctional Industries Fund** is used to account for the performance of services and production of commodities that contribute to the rehabilitation, knowledge and skill in trades and occupations of inmates of the institutions in the Department of Corrections in order to equip them with a means of livelihood upon release. Products and services are sold at fair market prices to other departments of the District and to other governments.

The **Motor Vehicle Maintenance Fund** is used to account for the costs of operating maintenance facilities for automotive equipment used by other departments of the District. Such costs are billed to other departments at actual costs. Actual costs include depreciation on maintenance buildings and fixtures and the furniture and equipment used to provide the service. The automotive equipment itself is acquired by the various departments which are also responsible for financing replacement vehicles.

Exhibit E-1

DISTRICT OF COLUMBIA
INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

September 30, 1983
With Comparative Totals for September 30, 1982
($000s)

	General Services	Correctional Industries	Motor Vehicle Maintenance	Totals 1983	Totals 1982
ASSETS					
Current Assets:					
Cash	$ 2,331	997	30	3,358	2,108
Receivables (net of allowances for uncollectibles)	—	351	—	351	417
Due from other funds (Note 3)	—	—	—	—	8,000
Inventory, at cost	1,395	946	34	2,375	2,626
Total current assets	3,726	2,294	64	6,084	13,151
Fixed Assets (Note 4):					
Property and equipment, at cost	2,226	1,199	368	3,793	3,458
Less - Accumulated depreciation	1,230	659	348	2,237	2,170
Net fixed assets	996	540	20	1,556	1,288
Total assets	**$ 4,722**	**2,834**	**84**	**7,640**	**14,439**
LIABILITIES AND FUND EQUITY					
Current Liabilities:					
Due to other funds (Note 3)	$ —	—	350	350	150
Accounts payable	10,330	108	210	10,648	11,889
Compensation liabilities	2,658	142	195	2,995	3,620
Deferred revenues	—	—	—	—	1,249
Total liabilities	**12,988**	**250**	**755**	**13,993**	**16,908**
Commitments and Contingent Liabilities (Notes 11 and 12)					
Fund Equity:					
Contributed capital (Note 2)	1,290	1,728	141	3,159	3,159
Retained earnings (deficit) since October 1, 1978	(9,556)	856	(812)	(9,512)	(5,628)
Total fund equity (deficit)	**(8,266)**	**2,584**	**(671)**	**(6,353)**	**(2,469)**
Total liabilities and fund equity	**$ 4,722**	**2,834**	**84**	**7,640**	**14,439**

The accompanying notes are an integral part of this statement.

Exhibit E-2

DISTRICT OF COLUMBIA
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

Year Ended September 30, 1983
With Comparative Totals for Year Ended September 30, 1982
($000s)

	General Services	Correctional Industries	Motor Vehicle Maintenance	Totals 1983	Totals 1982
Operating Revenues:					
Charges for services	$29,418	3,556	3,795	36,769	33,309
Operating Expenses:					
Personal services	21,846	1,127	1,752	24,725	24,489
Contractual services	15,685	607	392	16,684	11,256
Supplies	7,379	1,592	808	9,779	9,536
Occupancy costs	9,708	92	1,069	10,869	14,861
Depreciation	90	77	3	170	170
Miscellaneous	1,192	29	9	1,230	474
Total operating expenses	55,900	3,524	4,033	63,457	60,786
OPERATING INCOME (LOSS)	(26,482)	32	(238)	(26,688)	(27,477)
Operating transfers in:					
General Fund	22,804	—	—	22,804	25,981
NET INCOME (LOSS)	**(3,678)**	**32**	**(238)**	**(3,884)**	**(1,496)**
Retained Earnings (Deficit) at Beginning of Year	(5,878)	824	(574)	(5,628)	(4,132)
Retained Earnings (Deficit) at End of Year	$ (9,556)	856	(812)	(9,512)	(5,628)

The accompanying notes are an integral part of this statement.

Exhibit E-3

DISTRICT OF COLUMBIA
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended September 30, 1983
With Comparative Totals for Year Ended September 30, 1982
($000s)

	General Services	Correctional Industries	Motor Vehicle Maintenance	Totals 1983	Totals 1982
Sources of Cash:					
Operations:					
Income (loss) before operating transfers	$(26,482)	32	(238)	(26,688)	(27,477)
Item not requiring cash - Depreciation	90	77	3	170	170
Working capital provided by (used in) operations	(26,392)	109	(235)	(26,518)	(27,307)
Increase (decrease) in current liabilities:					
Due to other funds	—	—	200	200	—
Accounts payable	(1,208)	(107)	74	(1,241)	1,018
Compensation liabilities	(589)	20	(56)	(625)	341
Deferred revenues	(1,249)	—	—	(1,249)	1,249
Decrease (increase) in current assets:					
Receivables	—	66	—	66	(150)
Due from other funds	8,000	—	—	8,000	(7,850)
Inventory	446	(195)	—	251	(1,151)
Cash provided by (used in) operations	(20,992)	(107)	(17)	(21,116)	(33,850)
Other sources of cash:					
Disposals of fixed assets	23	—	—	23	—
Contributions of capital	—	—	—	—	3
Operating transfers in	22,804	—	—	22,804	25,981
Total sources (uses) of cash	1,835	(107)	(17)	1,711	(7,866)
Uses of Cash:					
Acquisition of fixed assets	194	267	—	461	48
INCREASE (DECREASE) IN CASH	**1,641**	**(374)**	**(17)**	**1,250**	**(7,914)**
Cash at Beginning of Year	**690**	**1,371**	**47**	**2,108**	**10,022**
Cash at End of Year	**$ 2,331**	**997**	**30**	**3,358**	**2,108**

The accompanying notes are an integral part of this statement.

FIDUCIARY FUNDS

To account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. These funds are classified as Pension Trust, Unemployment Compensation Trust, Housing Finance Trust, and Agency.

Pension Trust Funds are used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future for judges, police officers, fire fighters and public school teachers of the District. Resources are contributed by employees and by the District and Federal governments at amounts determined by an annual actuarial study and the Retirement Reform Act. The Pension Trust Funds are administered by an eleven member Retirement Board, three of whom are appointed by the Mayor, two by the Council and one each by active and retired police officers, fire fighters and teachers. The administrative costs of the Board are accounted for in the General Fund.

The **Unemployment Compensation Trust Fund** is used to account for the accumulation of resources to be used for benefit payments to unemployed former employees of the District and Federal governments and private employers in the District. Resources are contributed by private employers at rates fixed by law and by the District and Federal governments on a reimbursable basis. The Fund is administered by an Unemployment Compensation Board composed of the Mayor and four members appointed by the Mayor. The administrative costs of the Board are accounted for in the General Fund.

The **Housing Finance Trust Fund** is used to account for cash received from public and private sources to be used for increasing the supply and lowering the cost of money available for residential mortgages and construction loans in order to help alleviate the shortage of adequate housing. Mortgage lenders and the Fund make mortgage, construction and rehabilitation loans for single and multifamily rental and home ownership units designed to expand available housing opportunities, achieve neighborhood and fiscal stability, and effect residential economic diversity. The Fund is administered by a Housing Finance Agency Board of Directors comprised of nine members: three exofficio members and six public members appointed by the Mayor with the consent of the Council. The administrative costs of the Agency are accounted for in the Fund.

Agency Funds are used to account for refundable deposits required of various licensees, monies held in escrow and other assets held in custody by the District as an agent for individuals, private organizations, other governments or other funds.

DISTRICT OF COLUMBIA
FIDUCIARY FUNDS

Exhibit F-1

COMBINING BALANCE SHEET

September 30, 1983
With Comparative Totals for September 30, 1982
($000s)

	Trust Funds				Totals	
	Pension	Unemployment Compensation	Housing Finance	Agency Funds	1983	1982
ASSETS						
Restricted Assets:						
Cash and investments (Note 1)	$ 382,143	2,292	5,123	47,612	437,170	315,573
Due from others (net of allowances for uncollectibles)	2,179	16,892	11,695	12,355	43,121	26,721
Due from Federal government (Note 2)	603,700	21,000	—	—	624,700	630,265
Due from other funds (Note 3)	12,614	—	—	—	12,614	11,554
Other restricted assets	—	—	942		942	1,046
Total assets	**$1,000,636**	**40,184**	**17,760**	**59,967**	**1,118,547**	**985,159**
LIABILITIES AND FUND BALANCE						
Long Term Liabilities:						
Advance from other funds	$ —	—	2,112	—	2,112	2,001
Liabilities Payable From Restricted Assets:						
Due to Federal government (Note 2)	—	64,323	—	—	64,323	41,395
Due to other funds (Note 3)	—	99	—	—	99	9,842
Due to others	13,971	4,127	16,008	59,967	94,073	81,738
Total restricted liabilities	13,971	68,549	16,008	59,967	158,495	132,975
Total liabilities	**13,971**	**68,549**	**18,120**	**59,967**	**160,607**	**134,976**
Commitments and Contingent Liabilities (Notes 11 and 12)						
Fund Balances:						
Reserved for net restricted assets	986,665	(28,365)	1,752	—	960,052	852,184
Unreserved (deficit)	—	—	(2,112)	—	(2,112)	(2,001)
Total fund balances (deficit)	**986,665**	**(28,365)**	**(360)**	**—**	**957,940**	**850,183**
Total liabilities and fund balance	**$1,000,636**	**40,184**	**17,760**	**59,967**	**1,118,547**	**985,159**

The accompanying notes are an integral part of this statement.

Exhibit F-2

DISTRICT OF COLUMBIA
TRUST FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES

Year Ended September 30, 1983
With Comparative Totals for Year Ended September 30, 1982
($000s)

	Pension	Unemployment Compensation	Housing Finance	Totals 1983	Totals 1982
Operating Revenues:					
Charges for services	$ —	—	879	879	174
Benefit contributions	165,481	132,203	—	297,684	302,091
Investment earnings	93,558	—	1,277	94,835	40,166
Total operating revenues	259,039	132,203	2,156	393,398	342,431
Operating Expenses:					
Personal services	—	—	369	369	262
Contractual services	—	—	150	150	319
Supplies	—	—	21	21	12
Occupancy costs	—	—	91	91	87
Depreciation	—	—	7	7	4
Benefit payments	153,923	128,358	—	282,281	267,426
Miscellaneous	—	—	47	47	55
Total operating expenses	153,923	128,358	685	282,966	268,165
OPERATING INCOME	105,116	3,845	1,471	110,432	74,266
Nonoperating Revenues (Expenses):					
Interest	—	—	(2,004)	(2,004)	(166)
INCOME (LOSS) BEFORE OPERATING TRANSFERS	105,116	3,845	(533)	108,428	74,100
Operating transfers in (out):					
General Fund	(1,417)	—	746	(671)	(298)
NET INCOME	**103,699**	**3,845**	**213**	**107,757**	**73,802**
Fund Balances (Deficit) at Beginning of Year	**882,966**	**(32,210)**	**(573)**	**850,183**	**776,381**
Fund Balances (Deficit) at End of Year	**$986,665**	**(28,365)**	**(360)**	**957,940**	**850,183**

The accompanying notes are an integral part of this statement.

DISTRICT OF COLUMBIA
FIDUCIARY FUNDS

Exhibit F-3

COMBINING STATEMENT OF CHANGES IN FINANCIAL POSITION

Year Ended September 30, 1983
With Comparative Totals for Year Ended September 30, 1982
($000s)

	Trust Funds				Totals	
	Pension	Unemployment Compensation	Housing Finance	Agency Funds	1983	1982
Sources of Cash:						
Operations:						
Income (loss) before operating transfers	$105,116	3,845	(533)	—	108,428	74,100
Increase (decrease) in restricted liabilities:						
Due to Federal government	—	22,928	—	—	22,928	(9,863)
Due to other funds	—	(9,743)	—	—	(9,743)	9,842
Due to others	1,179	(2,342)	(64)	13,562	12,335	27,875
Decrease (increase) in restricted assets:						
Due from others	(244)	(6,221)	(10,701)	766	(16,400)	(478)
Due from Federal government	12,576	(7,011)	—	—	5,565	8,013
Due from other funds	(1,060)	—	—	—	(1,060)	(520)
Other restricted assets	—	—	104	—	104	(1,046)
Cash provided by (used in) operations	117,567	1,456	(11,194)	14,328	122,157	107,923
Other sources of cash:						
Proceeds of long term liabilities	—	—	111	—	111	2,001
Operating transfers in	—	—	746	—	746	—
Total sources (uses) of cash	117,567	1,456	(10,337)	14,328	123,014	109,924
Uses of Cash:						
Operating transfers out	1,417	—	—	—	1,417	298
INCREASE (DECREASE) IN CASH AND INVESTMENTS	**116,150**	**1,456**	**(10,337)**	**14,328**	**121,597**	**109,626**
Cash and Investments at Beginning of Year	**265,993**	**836**	**15,460**	**33,284**	**315,573**	**205,947**
Cash and Investments at End of Year	**$382,143**	**2,292**	**5,123**	**47,612**	**437,170**	**315,573**

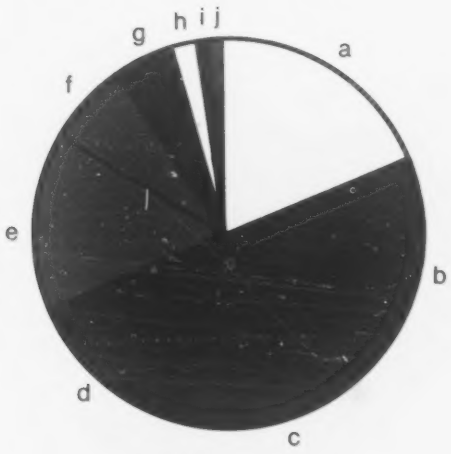
The accompanying notes are an integral part of this statement.

OPERATING RATIOS

GENERAL FUND FOR 1983

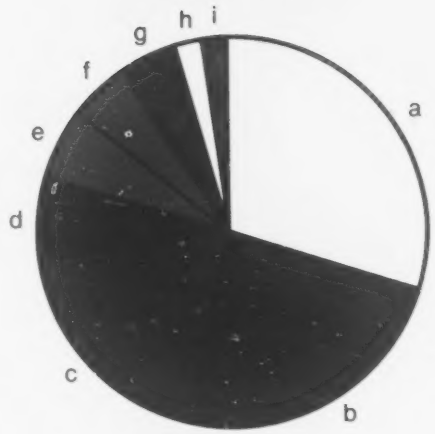
REVENUE DOLLAR BY SOURCE
Where the money came from

a. Income and franchise taxes	$ .19
b. Sales and use taxes	.18
c. Grants and entitlements	.17
d. Payment in lieu of taxes	.15
e. Property taxes	.15
f. Other financing sources	.07
g. Licenses and charges	.05
h. Other taxes	.02
i. Fines and forfeits	.01
j. Miscellaneous	.01
	$1.00



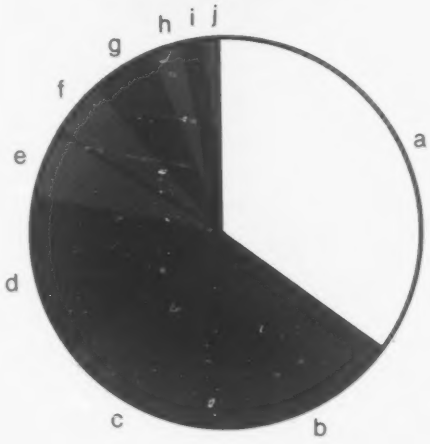
EXPENDITURE DOLLAR BY FUNCTION
Where the money was spent

a. Human support services	$ .30
b. Public safety and justice	.24
c. Public education system	.19
d. Debt service	.07
e. Transportation system and assistance	.06
f. Economic development and regulation	.05
g. Operating transfers (net)	.05
h. Governmental direction and support	.02
i. Environmental services and supply	.02
	$1.00



EXPENDITURE DOLLAR BY OBJECT
What the money was spent on

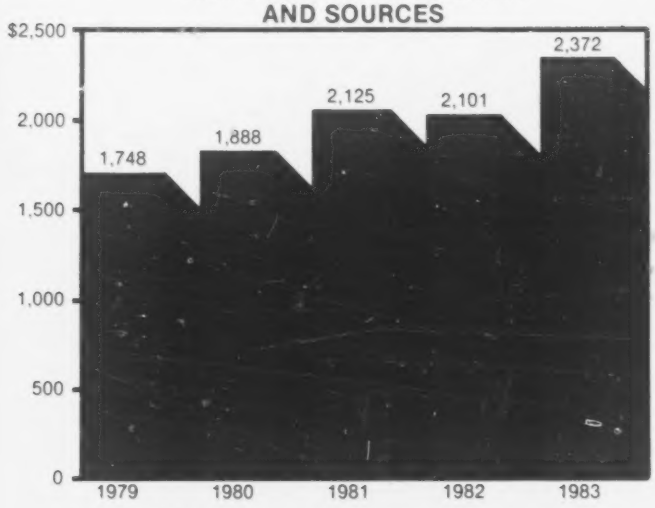
a. Salaries and wages	$ .35
b. Employee benefits	.17
c. Public assistance	.13
d. Miscellaneous	.13
e. Contractual services	.06
f. Operating transfers (net)	.05
g. Interest	.05
h. Occupancy costs	.03
i. Supplies	.02
j. Principal debt payment	.01
	$1.00



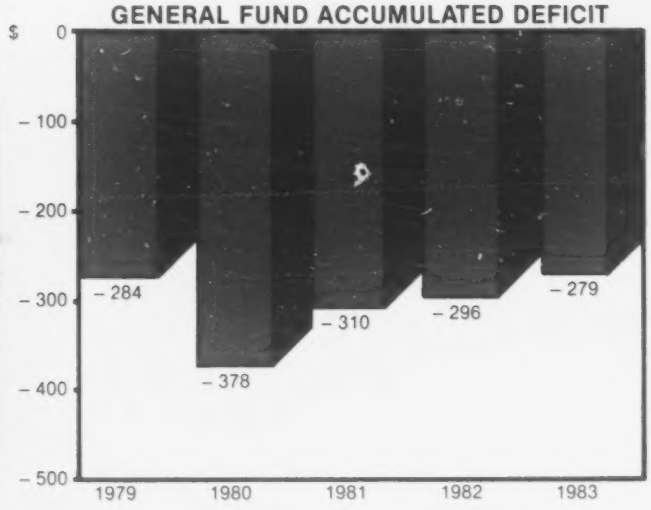
Statistical Section

FINANCIAL HIGHLIGHTS
(In millions of dollars)

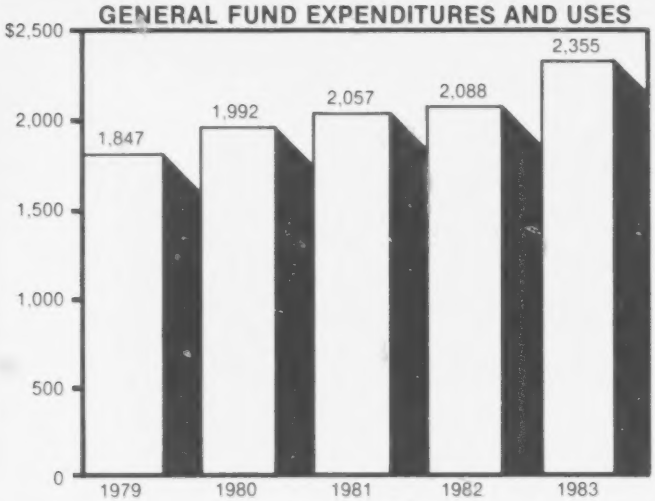
GENERAL FUND REVENUES AND SOURCES



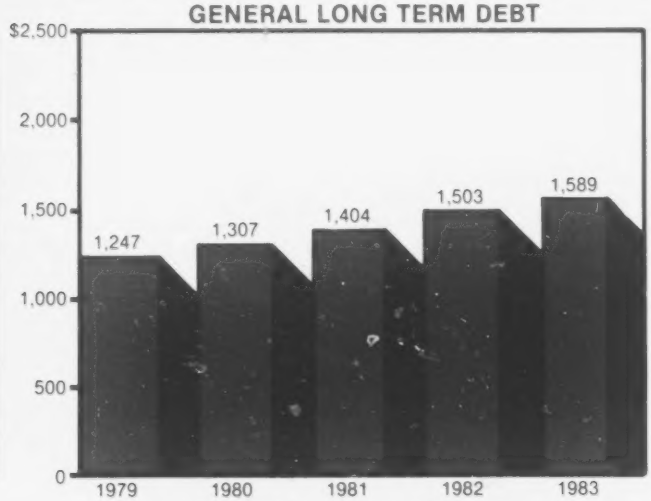
GENERAL FUND ACCUMULATED DEFICIT



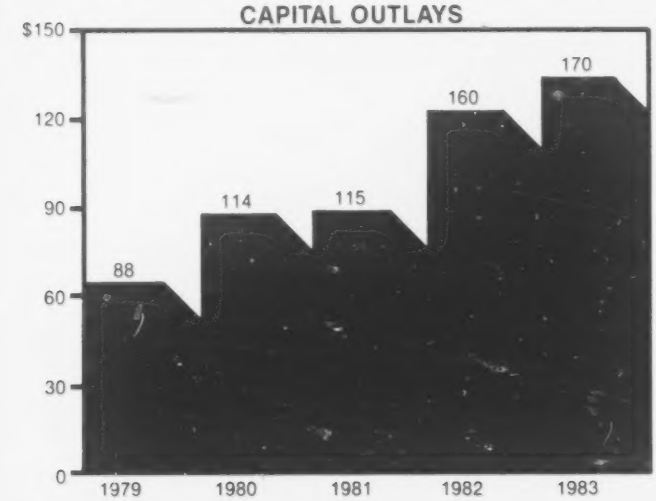
GENERAL FUND EXPENDITURES AND USES



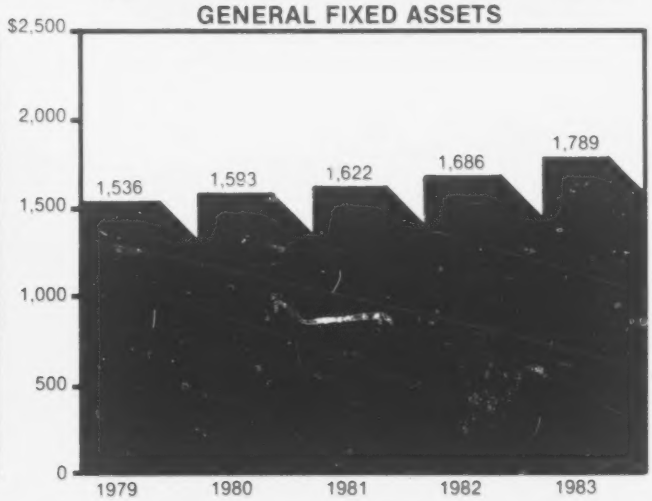
GENERAL LONG TERM DEBT



CAPITAL OUTLAYS



GENERAL FIXED ASSETS



DISTRICT OF COLUMBIA

Exhibit S-1

GENERAL FUND REVENUES BY SOURCE

Last Ten Fiscal Years
($000s)

Fiscal Year (1)	Taxes	Licenses and Permits	Fines and Forfeits	Charges for Services	Miscel-laneous	Total District	Intergov-ernmental	Total (3)
1974	$ 513,761	19,522	9,280	12,656	1,933	557,152	224,917	782,069
1975	528,082	19,754	9,043	13,152	6,126	576,157	257,169	833,326
1976	600,708	23,352	12,219	13,772	1,824	651,875	275,604	927,479
Transition Quarter (2)	193,380	2,557	3,137	4,365	252	203,691	72,800	276,491
1977	714,022	29,848	12,725	17,537	10,297	784,429	304,447	1,088,876
1978	820,482	27,287	14,096	23,769	16,724	902,358	312,745	1,215,103
1979	799,014	29,224	16,281	23,545	18,200	886,264	672,567	1,558,831
1980	928,412	30,496	22,871	10,794	49,578	1,042,151	689,479	1,731,630
1981	1,078,830	29,245	23,478	73,418	28,944	1,233,915	678,404	1,912,319
1982	1,173,725	29,661	22,124	68,491	18,033	1,312,034	684,590	1,996,624
1983	1,295,927	29,728	22,658	84,819	21,116	1,454,248	753,730	2,207,978

Notes:

(1) The amounts shown before 1979 were on the cash basis of accounting. The amounts shown for 1979 and thereafter were on the modified accrual basis of accounting.

(2) The fiscal year changed from June 30 to September 30 in 1976.

(3) Excludes "other financing sources."

DISTRICT OF COLUMBIA

Exhibit S-2

GENERAL FUND EXPENDITURES BY FUNCTION

Last Ten Fiscal Years
($000s)

Fiscal Year (1)	Govern-mental Direction	Economic Develop-ment	Public Safety	Public Education	Human Services	Transpor-tation Services	Environ-mental Services	Debt Service	Miscel-laneous	Total (3)
1974	$35,694	13,070	209,941	209,476	246,685	27,245	47,360	40,180	4,329	833,980
1975	38,475	13,499	231,467	230,739	256,354	31,326	54,638	49,614	5,215	911,327
1976	42,066	13,856	249,107	251,836	291,440	58,859	59,833	63,376	3,185	1,033,558
Transition Quarter (2)	13,599	3,589	63,847	47,644	83,118	15,691	15,983	—	(1,083)	242,388
1977	49,447	14,445	267,837	276,962	305,810	52,765	67,193	80,839	1,777	1,117,075
1978	57,553	15,560	286,623	297,769	331,953	57,213	72,710	126,142	18,669	1,264,192
1979	64,888	91,106	310,787	317,329	532,587	93,852	25,133	113,359	9,435	1,558,476
1980	71,716	104,089	433,473	410,738	605,820	118,768	31,936	114,169	—	1,890,709
1981	75,509	96,807	450,526	397,944	645,192	113,777	40,091	123,772	—	1,943,618
1982	50,057	107,496	485,325	417,778	605,205	127,806	44,822	137,787	—	1,976,276
1983	55,196	118,315	558,464	448,763	718,348	147,236	42,980	153,217	—	2,242,519

Notes:

(1) The amounts shown before 1979 were on the cash basis of accounting. The amounts shown for 1979 and thereafter were on the modified accrual basis of accounting.

(2) The fiscal year changed from June 30 to September 30 in 1976.

(3) Excludes "other financing uses."

DISTRICT OF COLUMBIA

Exhibit S-3

REAL PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Fiscal Years
($000s)

Property Tax Year (1)	Tax Levy (2)	Current Tax Collections (3)	Percent of Levy Collected	Delinquent Tax Collections (3)	Total Tax Collections	Percent of Total Collections	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Levy
1974	$138,390	134,683	97.3	$3,285	137,968	99.7	$ 5,261	3.8
1975	130,072	126,419	97.2	4,069	130,488	100.3	6,048	4.7
1976	135,995	131,833	96.9	4,195	136,028	100.0	6,630	4.9
1977	149,886	147,508	98.4	4,745	152,253	101.6	5,298	3.5
1978	156,108	150,471	96.4	6,206	156,677	100.4	4,022	2.6
1979	171,703	168,755	98.3	2,442	171,197	99.7	3,271	1.9
1980	184,715	180,962	98.0	2,695	183,657	99.4	8,537	4.6
1981	230,367	224,573	97.5	3,900	228,473	99.2	10,950	4.8
1982	281,137	274,898	97.8	4,217	279,115	99.3	8,856	3.2
1983	334,667	326,252	97.5	6,353	332,605	99.4	10,271	3.1

Notes:

(1) Property tax year is from July 1 to June 30.

(2) This column reflects the original tax levies for the years indicated and excludes later increases or decreases resulting primarily from audits and judgments.

(3) This column includes overpayments which the District must refund, but excludes payments for penalties and interest.

Source: Department of Finance and Revenue.

DISTRICT OF COLUMBIA

Exhibit S-4

PERCENT OF FEDERAL PAYMENT TO REVENUES AND EXPENDITURES

Last Ten Fiscal Years
($000s)

Fiscal Year	Federal Payment	District Revenues (Exhibit S-1)	General Fund Expenditures (1) (Exhibit S-2)	Percent of Federal Payment to	
				District Revenues	General Fund Expenditures
1974	$187,450	557,152	789,471	33.6	23.7
1975	226,200	576,157	856,498	39.3	26.4
1976	248,948	651,875	966,997	38.2	25.7
Transition Quarter (2)	67,560	203,691	243,471	33.2	27.7
1977	276,650	784,429	1,034,459	35.3	26.7
1978	276,000	902,358	1,119,381	30.6	24.7
1979	262,465	886,264	1,435,682	29.6	18.3
1980	276,500	1,042,151	1,776,540	26.5	15.6
1981	304,684	1,233,915	1,819,846	24.7	16.7
1982	336,600	1,312,034	1,838,489	25.7	18.3
1983	361,000	1,454,248	2,089,302	24.8	17.3

Notes:

(1) Excludes debt service.

(2) The fiscal year changed from June 30 to September 30 in 1976.

DISTRICT OF COLUMBIA

Exhibit S-5

MAJOR TAX RATES

Last Ten Fiscal Years

Fiscal Year	Property					Sales and Use					Income (7)		Other
	Real (1)			Personal	General	Selective							
	Commercial and Other	Residential Owner-Occupied	Residential Nonowner Occupied	(2)	(3)	Spirits (4)	Beer (5)	Cigarettes (6)	Motor Fuel (4)	Motor Vehicle (3)	Individual	Business	Inheritance (8)
1974	$1.83	1.83	1.83	2.40	.05	2.00	2.25	.06	.080	.05	.02-.10	.080	.01-.23
1975												.120	
1976								.10	.100	.04-.07	.02-.11	.099	
1977				2.82				.13					
1978		1.54	1.54			1.50							
1979													
1980	2.13	1.22		3.10	.06				.110				
1981									.130				
1982									.140				
1983									.148	.06-.07			

Notes:

(1) Per $100 estimated actual value. In 1976, assessed values were increased to 100% from approximately 55% of estimated actual values, with an offsetting reduction in tax rates in 1978.

(2) Per $100 assessed value. (3) Per sales dollar. (4) Per gallon. (5) Per barrel. (6) Per pack.

(7) Per dollar of taxable income. (8) Effective rate based on $100,000 inheritance.

Source: Department of Finance and Revenue.

DISTRICT OF COLUMBIA

Exhibit S-6

PERCENT OF DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY AND DEBT PER CAPITA

Last Ten Fiscal Years
($000s)

Property Tax Year (1)	Population (2)	Debt to Federal Government (3)	Estimated Actual Value (4)	Percent of Debt to Estimated Actual Value	Debt per Capita (5)
1974	723,000	$ 680,000	7,600,000	9.0	$ 941
1975	712,000	843,000	7,100,000	11.9	1,184
1976	700,000	1,086,927	7,400,000	14.7	1,552
1977	685,000	1,139,539	8,200,000	13.9	1,664
1978	674,000	1,204,431	9,100,000	13.2	1,787
1979	656,000	1,246,642	10,700,000	11.7	1,900
1980	638,333	1,307,013	11,600,000	11.3	2,048
1981	632,000	1,403,744	14,000,000	10.0	2,221
1982	626,000	1,502,825	18,000,000	8.4	2,401
1983	623,000	1,589,485	20,100,000	7.9	2,551

Notes:

(1) Property tax year is from July 1 to June 30. (2) Federal Bureau of the Census.

(3) Debt to Federal government was determined as of June 30 before 1976 and as of September 30 for 1976 and thereafter. Amounts exclude Water and Sewer Fund debt.

(4) In 1976, assessed values were increased to 100% from approximately 55% of estimated actual values.

(5) There is no overlapping government debt in the District of Columbia. There are no special assessments in the District of Columbia.

DISTRICT OF COLUMBIA

Exhibit S-7

COMPUTATION OF LEGAL DEBT LIMITATION

September 30, 1983 and 1982
($000s)

	1983	1982
Revenue Base:		
General Fund	$1,815,248	1,648,634
Water and Sewer Fund	89,683	82,965
Total	**1,904,931**	**1,731,599**
Less- Court fees	3,823	2,922
Benefit contributions	(332)	329
Net	**$1,901,440**	**1,728,348**
Debt Service	$ 153,217	137,787
Percent of Debt Service of Revenue Base	8.1	8.0
Debt Service Percent Limitation (1)	14.0	14.0

Note:

(1) A capital projects debt service ceiling of 14% of annual net District revenues anticipated for the year in which a loan is to be made, or bonds issued, is imposed by the District of Columbia Self-Government and Governmental Reorganization Act on borrowing from the Federal government and by issuing general obligation bonds to others.

DISTRICT OF COLUMBIA

Exhibit S-8

PERCENT OF DEBT SERVICE TO GENERAL FUND EXPENDITURES

Last Ten Fiscal Years
($000s)

Fiscal Year	Debt Service			General Fund Expenditures (Exhibit S-2)	Percent of Debt Service to General Fund Expenditures
	Principal	Interest	Total		
1974	$ 7,620	32,560	40,180	833,980	4.8
1975	8,717	40,350	49,067	911,327	5.4
1976	11,605	51,771	63,376	1,033,558	6.1
Transition Quarter (1)	—	—	—	242,388	—
1977	13,029	67,810	80,839	1,117,075	7.2
1978	23,410	102,734	126,144	1,264,192	10.0
1979	18,593	94,766	113,359	1,558,476	7.3
1980	21,643	92,526	114,169	1,890,709	6.0
1981	22,729	101,043	123,772	1,943,618	6.4
1982	25,419	112,368	137,787	1,976,276	7.0
1983	26,340	126,877	153,217	2,242,519	6.8

Note:

(1) The fiscal year changed from June 30 to September 30 in 1976.

DISTRICT OF COLUMBIA

Exhibit S-9

TEN HIGHEST MARKET VALUES FOR COMMERCIAL AND APARTMENT PROPERTIES

Year Ended June 30, 1983
($000s)

Squares	Lots	Building	Land	Improvements	Total
387,435	866-868,61	L'Enfant Plaza	$16,852	90,569	107,421
106	49	International Square	44,973	52,587	97,560
2,132	32	Sheraton Washington Hotel	19,489	76,711	96,200
291	37	1201 Pennsylvania Avenue, N.W.	21,634	41,931	63,565
254	832	National Theatre	56,136	816	56,952
2535	828	Washington Hilton Hotel	11,271	44,649	55,920
8	807, 808, 811	Watergate	11,314	44,314	55,628
197	82	Washington Post Newspaper	40,320	15,065	55,385
33	87, 88	Columbia Plaza	19,630	31,428	51,058
140	88	1800 M Street, N.W.	25,472	24,928	50,400

Source: Department of Finance and Revenue. Market value was calculated based on assessed value for the property tax year ended June 30.

DISTRICT OF COLUMBIA

Exhibit S-10

TEN HIGHEST MARKET VALUES FOR RESIDENTIAL PROPERTIES

Year Ended June 30, 1983
($000s)

Squares	Lots	Location	Land	Improvements	Total
2245	800	4155 Linnean Avenue, N.W.	$ 1,437	5,536	6,973
1320	802	3905 Reservoir Road, N.W.	6,226	216	6,442
1346	3, 4, 801-803	1801 Foxhall Road, N.W.	5,206	124	5,330
1346	816, 817	2101 Foxhall Road, N.W.	4,727	153	4,880
1464	1, 40-42, 801, 803-813, 821, 822, 829	50th & Massachusetts, N.W.	4,475	—	4,475
1409	1	2816 Battery Place, N.W.	1,070	2,992	4,062
1341	856, 858, 859, 861	2209 Foxhall Road, N.W.	3,065	665	3,730
1292	836	3608 Reservoir Road, N.W.	3,209	137	3,346
1341	857	2401 Foxhall Road, N.W.	1,890	705	2,595
1282	876	1611 31st Street, N.W.	1,210	1,164	2,374

Source: Department of Finance and Revenue. Market value was calculated based on assessed value for the property tax year ended June 30.

DISTRICT OF COLUMBIA

Exhibit S-11

TEN HIGHEST MARKET VALUES FOR TAX-EXEMPT PROPERTIES

Year Ended June 30, 1983
($000s)

Property (1)	Value
George Washington University and Medical Center	$282,553
Washington Hospital Center	186,476
Howard University and Hospital	174,130
Georgetown University and Hospital	127,981
Washington Cathedral (Episcopal)	92,136
Catholic University of America	80,557
American University	66,997
National Geographic Society	51,190
The National Shrine of the Immaculate Conception	39,748
National Academy of Sciences	39,634

Note:

(1) Excludes Federal government property.

Source: Department of Finance and Revenue. Market value was calculated based on assessed value for the property tax year ended June 30.

DISTRICT OF COLUMBIA

Exhibit S-12

DEMOGRAPHIC STATISTICS

Last Ten Fiscal Years

Fiscal Year	Population (1)	Median Age (2)	Per Capita Income (3)
1974	723,000	27.9	$ 6,694
1975	712,000	28.4	7,433
1976	700,000	28.9	8,044
1977	685,000	29.4	8,827
1978	674,000	30.0	9,589
1979	656,000	31.5	10,764
1980	638,000	31.0	12,296
1981	632,000	30.1	13,672
1982	626,000	30.6	14,550
1983	623,000	N/A	N/A

Source: (1) Federal Bureau of the Census.
(2) Office of Planning.
(3) Bureau of Economic Analysis, Federal Department of Commerce.
N/A Not available.

DISTRICT OF COLUMBIA

Exhibit S-13

PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS

Last Seven Fiscal Years
($000s)

Fiscal Year (1)	Commercial Construction (2)		Residential Construction (2)		Bank Deposits (3)	Property Value (4)			
	Number of Units	Value	Number of Units	Value		Commercial	Residential	Total Taxable	Nontaxable
1977	43	$ 78,116	2,264	$48,007	4,165,801	3,155,000	5,034,000	8,189,000	9,461,000
1978	37	73,208	2,374	52,884	4,650,993	3,300,000	5,825,000	9,125,000	9,936,000
1979	57	190,462	1,871	60,190	5,092,065	3,815,000	6,823,000	10,638,000	10,601,000
1980	72	163,760	2,763	92,430	5,284,407	4,216,000	7,378,000	11,594,000	13,154,000
1981	56	180,747	1,172	30,002	5,781,615	4,981,000	8,984,000	13,965,000	13,407,000
1982	52	328,093	441	15,920	6,117,083	6,505,200	11,494,800	18,000,000	14,954,000
1983	93	497,614	608	38,072	7,329,039	8,038,700	12,055,300	20,094,000	20,062,000

Source: (1) Data are not available before 1977.

(2) Department of Licences, Investigation and Inspections.

(3) FDIC *Summary of Deposits* in all commercial banks as of June 30.

(4) Department of Finance and Revenue estimated actual value.

DISTRICT OF COLUMBIA

Exhibit S-14

DISTRIBUTION OF INDIVIDUAL INCOME TAXES

Years Ended December 31, 1982 and 1981

Income Levels	1982		1981	
	Percent of Total Taxes Paid	Number of Taxpayers	Percent of Total Taxes Paid	Number of Taxpayers
Under $5,000	.7	45,156	.8	45,737
$ 5,000 to 9,999	4.3	60,838	4.7	61,498
$10,000 to 14,999	10.0	60,166	10.6	60,287
$15,000 to 24,999	25.1	71,989	25.2	71,292
$25,000 to 49,999	33.1	43,678	32.3	42,259
$50,000 to 99,999	14.4	8,588	14.1	8,229
Over $100,000	12.4	2,273	12.3	2,213
Total	**100.0**	**292,688**	**100.0**	**291,515**

Source: Department of Finance and Revenue.

DISTRICT OF COLUMBIA
GOVERNMENTAL FUNDS

Exhibit S-15

SUMMARY OF CHANGES IN CASH AND INVESTMENTS

Years Ended September 30, 1983 and 1982
($000s)

	General	Capital Projects	Totals 1983	Totals 1982
Sources of Cash:				
Operations:				
Excess (deficiency) of revenues over (under) expenditures	$(34,541)	(127,087)	(161,628)	(97,615)
Items benefiting prior or future years -				
Capital outlays	—	169,814	169,814	159,640
Debt service principal	26,340	—	26,340	25,419
Current income (loss)	(8,201)	42,727	34,526	87,444
Item not requiring current cash -				
Future employee benefits	165,259	—	165,259	101,181
Working capital provided by operations	157,058	42,727	199,785	188,625
Increase (decrease) in current liabilities:				
Due to Federal government	12,560	—	12,560	13,128
Due to other funds	—	—	—	(10,436)
Accounts payable	(4,996)	17,214	12,218	(22,520)
Compensation liabilities	(5,204)	—	(5,204)	14,023
Accrued liabilities	(7,000)	—	(7,000)	(13,000)
Deferred revenues	9,444	708	10,152	12,391
Other current liabilities	4,613	—	4,613	(3,550)
Decrease (increase) in current assets:				
Receivables	(25,769)	—	(25,769)	(16,542)
Due from Federal government	(3,429)	4,570	1,141	9,412
Due from other funds	(12,397)	—	(12,397)	(2,804)
Advance to other funds	(111)	—	(111)	(2,001)
Inventory	(767)	—	(767)	1,393
Other current assets	541	—	541	(1,250)
Cash provided by operations	124,543	65,219	189,762	166,869
Other sources of cash:				
Disposals of fixed assets	—	—	—	2,966
Proceeds of long term liabilities	—	113,000	113,000	124,500
Operating transfers in	13,421	—	13,421	4,538
Total sources of cash	137,964	178,219	316,183	298,873
Uses of Cash:				
Acquisition of fixed assets	—	169,814	169,814	159,640
Payment of long term liabilities	26,340	—	26,340	25,419
Operating transfers out	127,101	—	127,101	115,972
Total uses of cash	153,441	169,814	323,255	301,031
INCREASE (DECREASE) IN CASH AND INVESTMENTS	**(15,477)**	**8,405**	**(7,072)**	**(2,158)**
Cash and Investments at Beginning of Year	**25,834**	**85,799**	**111,633**	**113,791**
Cash and Investments at End of Year	**$10,357**	**94,204**	**104,561**	**111,633**

Exhibit S-16

DISTRICT OF COLUMBIA
GOVERNMENTAL AND PROPRIETARY FUNDS

SUMMARY OF FINANCIAL ACTIVITY

Years Ended September 30, 1983 and 1982
($000s)

	1983					1982		Difference	
	Gross Cost	Related Resources		Net Cost	% of Revenue	Net Cost	% of Revenue	Better or (Worse)	
		District	Federal					Amount	%
General Revenues:									
Sovereign:									
Taxes		$1,295,927	—	1,295,927	74.1	$1,172,721	73.4	$ 123,206	10.5
Licenses and permits		29,728	—	29,728	1.7	29,661	1.8	67	.2
Fines and forfeits		22,658	—	22,658	1.3	22,124	1.4	534	2.4
Miscellaneous:									
Interest		10,104	—	10,104	.6	14,391	.9	(4,287)	(29.8)
Other		10,361	—	10,361	.6	3,642	.2	6,719	184.5
Intergovernmental (unrestricted):									
Payment in lieu of taxes		—	361,000	361,000	20.6	336,600	21.1	24,400	7.2
Revenue sharing entitlements		—	19,932	19,932	1.1	18,656	1.2	1,276	6.8
Total general revenues		1,368,778	380,932	1,749,710	100.0	1,597,795	100.0	151,915	9.5
Cost of Services:									
Governmental:									
Direction and interest	$ 237,973	32,572	6,906	198,495	11.3	186,005	11.6	(12,490)	(6.7)
Economic development	119,061	18,231	53,710	47,120	2.7	36,002	2.2	(11,118)	(30.9)
Public safety and justice	561,988	12,213	1,064	548,711	31.4	476,326	29.8	(72,385)	(15.2)
Education and libraries	448,763	2,522	39,286	406,955	23.3	373,949	23.4	(33,006)	(8.8)
Human services and recreation	718,348	18,098	268,422	431,828	24.7	368,914	23.1	(62,914)	(17.1)
Transportation services	151,269	29,530	2,423	119,316	6.8	102,420	6.4	(16,896)	(16.5)
Environmental services	42,980	10,490	987	31,503	1.8	35,591	2.2	4,088	11.5
Commercial:									
University	75,201	9,556	6,785	58,860	3.4	51,986	3.3	(6,874)	(13.2)
Water and sewer	108,083	89,683	—	18,400	1.0	17,541	1.1	(859)	(4.9)
General hospital	84,271	45,101	—	39,170	2.2	33,016	2.1	(6,154)	(18.6)
Starplex	4,470	5,446	—	(976)	(.1)	367	.0	1,343	365.9
Convention center	8,153	1,600	—	6,553	.4	1,042	.1	(5,511)	(528.9)
Lottery and games	11,647	24,110	—	(12,463)	(.7)	(4,653)	(.3)	7,810	167.8
Total cost of services	2,572,207	299,152	379,583	1,893,472	108.2	1,678,506	105.0	(214,966)	(12.8)
CURRENT INCOME (LOSS)	(2,572,207)	1,667,930	760,515	(143,762)	(8.2)	(80,711)	(5.0)	(63,051)	(78.1)
Financing and Investing Activities:									
Payment of advance	24,300	—	—	24,300	1.4	—	—	(24,300)	—
Acquisition of fixed assets	206,595	—	42,727	163,868	9.4	140,119	8.7	(23,749)	(16.9)
Payment of long term liabilities	30,392	—	164,471	(134,079)	(7.7)	(115,818)	(7.2)	18,261	15.8
Total financing costs	261,287	—	207,198	54,089	3.1	24,301	1.5	(29,788)	(122.6)
FINANCIAL INFLOW (OUTFLOW)	(2,333,494)	1,667,930	967,713	(197,851)	(11.3)	(105,012)	(6.5)	(92,839)	(88.4)
Costs Not Requiring Current Cash:									
Depreciation of fixed assets	11,933	—	—	11,933	.7	9,641	.6	2,292	23.8
Future employee benefits	165,259	—	—	165,259	9.4	101,181	6.3	64,078	63.3
Total noncash costs	177,192	—	—	177,192	10.1	110,822	6.9	66,370	59.9
WORKING CAPITAL PROVIDED (USED)	$(2,656,302)	1,667,930	967,713	(20,659)	(1.2)	5,810	.4	(26,469)	(455.6)
Decrease (increase) in noncash working capital				12,426	0.7	(9,064)	(.6)	21,490	237.1
INCREASE (DECREASE) IN CASH AND INVESTMENTS				**(8,233)**	**(0.5)**	**(3,254)**	**(.2)**	**(4,979)**	**(153.0)**
Cash and Investments at Beginning of Year				**140,771**	**8.0**	**144,025**	**9.0**	**(3,254)**	**(2.3)**
Cash and Investments at End of Year				**$ 132,538**	**7.5**	**$ 140,771**	**8.8**	**$ (8,233)**	**(5.8)**

DISTRICT OF COLUMBIA

MISCELLANEOUS STATISTICS

September 30, 1983

Area (square miles):	
Federal and foreign governments	23.5
District government	2.3
Streets and alleys	15.5
Taxable base	20.6
Total area	61.9
Employees (authorized, permanent, full-time):	
Governmental direction	1,792
Economic development	686
Public safety and justice	8,943
Education and libraries	10,017
Human services and recreation	3,605
Transportation services	737
Environmental services	1,738
Total employees	27,518
Police Protection:	
Number of stations	13
Number of police officers	3,814
Crime index offenses	59,303
Fire Protection:	
Number of stations	33
Number of fire fighters	1,179
Transportation:	
Number of street lights	65,656
Number of traffic signalized intersections	1,250
Number of motor vehicle registrations (4/1-3/31)	269,450
Water:	
Number of consumers	124,412
Average daily consumption (in millions of gallons)	164
Miles of mains	1,287
Sewers:	
Miles of mains	1,800
Daily maximum capacity (in millions of gallons)	650
Economic:	
Taxable retail sales (in millions)	$3,745
Unemployment claims accepted	46,657
Unemployment claims rejected	13,456
Unemployment rate	10.8%
Recreation:	
Number of centers and playgrounds	134
Number of day camps	7
Number of outdoor swimming pools	34
Number of indoor swimming pools	11
Libraries:	
Number of main and branch buildings	21
Number of community and kiosk facilities	5
Number of volumes	920,202
Education:	
Number of public schools	185
Number of public school teachers	5,664
Number of public school students	91,828
Education level (in years of formal schooling)	12.7